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# Latin America Report

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11 April 1985

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INTER-AMERICAN AFFAIRS

GARCIA SEES POSITIVE PROSPECTS FOR CHILE-PERU RELATIONS

Santiago EL MERCURIO in Spanish 17 Feb 85 p D-2

[MERCURIO interview with Alan Garcia Perez, APRA presidential candidate]

[Text] Alan Garcia Perez, the APRA [American Revolutionary Popular Alliance] candidate, is young and dynamic with a strong female following (43.6 percent of the women polled). At present, he appears to be the possible future President of Peru.

His detractors stress his lack of political experience, as a result of his being 35 years old. Furthermore, they have stooped to point out that his Argentine wife Pilar Nores is a citizen of Ecuador, a country with which Peru has border problems.

Finally, emphasis has also been placed on a presumed connection between APRA and North Korea. Some APRA members oppose this connection because it means a rapprochement with those communist groups which in turn would help defray the expenses for the extensive publicity campaign currently in progress.

Alan Garcia was born 23 May 1949 in Barranco District, Lima Province. He attended universities in Peru, Spain and France, obtaining his law degree in 1972 at the Universidad Nacional Mayor de San Marcos. He later had specialized training at the Sorbonne. We were told that while in Paris, he earned his living as a singer.

In 1978 he was elected member of the Constitutional Assembly of Peru which promulgated the Constitution in 1979. In 1980 he was elected deputy from Lima with the largest vote of all the APRA party list of parliamentary candidates.

In 1982 he was elected secretary-general of the APRA party and in 1984, in a party-wide internal election, he was selected to be the presidential candidate.

He taught at the university and carried out several research projects on social topics.

He has three daughters and his wife is expecting another baby around the time of the elections.

EL MERCURIO interviewed the candidate at the party headquarters. He was friendly and very talkative but somewhat rigid in his political statements.

[Question] If you are elected in the next elections, how would relations develop between your government and that of Chile?

[Answer] Relations would be friendly and cordial--typically Latin American. We believe, regarding the foreign debt and the model industrial development that Latin American economies must be coordinated. We should seek to establish unity which will allow us to win the respect of economically superior nations.

[Question] Do you contemplate launching a campaign for economic or any other type of integration with Chile?

[Answer] I believe that priority must be given to integrating our debts and also to the possibilities of our working together and jointly developing certain areas.

[Question] But since different governments are involved, do you think it is possible to have a cordial and integrated relationship?

[Answer] There is a well-known theory that relations between countries, especially neighbors, must be between the peoples, not just between the governments.

[Question] What is your opinion on how the Latin American countries have handled the foreign debt problem?

[Answer] I believe that for the last 150 years, the main Latin American error has been to deal separately with the dominant countries. If you review the history of Latin America you will see certain parallels among all our countries. From the beginning of this century, we have all been sellers of raw materials, selling separately, and when the great 1929 Wall Street crisis took place, all the governments fell because the period of outward growth ended. Then began an inward growth of industrialization in order to replace imports. This began late in Peru, but in any case, it has been a badly executed industrialization which used technology and models for development which are foreign to our true situation. This has caused serious problems for industry, and since 1979 we have been mere debtors and buyers of foreign goods. Thus, each of us has attempted to have separate relations with the centralized monopolistic world. I believe that the moral of this is that isolated national development is coming to an end in Latin America and that we must begin to think seriously about the need to coordinate our industrial development.

[Question] Then you favor a Debtors' Club...

[Answer] That is a much-criticized expression. I do not wish to make an issue of adjectives and nouns. What I say is that there should be a common stand among the Latin American countries. All the prominent people with whom I have



spoken agree with this. There is an agreement that in the immediate future we can act jointly.

[Question] What are your thoughts concerning Bolivia's landlocked situation?

[Answer] This is a typical Bolivian problem which should be solved in accordance with existing international agreements which provide that any solution reached with respect to territory previously belonging to Peru must first have Peru's acquiescence.

[Question] What do you think of the political campaigns for the next elections?

[Answer] We have created much hatred and misunderstanding among Peruvians and among politicians. Instead of discussing substantive matters we have gotten lost in adjectives and anecdotes. I believe we must rise above that. The problems the country is facing today demand more than that type of superficiality. Our situation is serious; we must reactivate our economy and industry, which has almost 40 percent unemployment. Peruvian lands must be restored, our crops diversified. At the same time we must revitalize the people. I don't think it does any good to hurl adjectives which have a carnival-like air about them but are not very constructive with regard to Peru's present hopes and expectations.

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CSO: 3348/411

INTER-AMERICAN AFFAIRS

ARGENTINES, CHILEANS DISCUSS PAVING NORTHERN PASS

Santiago EL MERCURIO in Spanish 19 Feb 85 p C-4

[Article by Ivonne Guicharrousse]

[Text] Antofagasta--During a visit to this city, Argentine businessmen Cesar Busignani and Miguel Angel Armata said that the people of Jujuy Province want to be able to reach Northern Chile via Jama Pass. The roadway is completely ready on the Argentinean side.

They said that at the present time all trade and contacts are made through Salta. This is true of transport services, regular airplane flights, bus service and the experimental railway motor coach. They said, "It is also our intention to have closer contact with Northern Chile and we offer as an alternative the Jama Pass."

This roadway is ready and is paved most of the way for about 200 kilometers up to the border. Only 60 kilometers still need to be paved and the lay-out of the route is practically ready.

The two visitors from Jujuy Province discussed the advantages provided by this international pass, pointing out that its width and incline allow all types of vehicles to travel on it, including cargo and trailer trucks.

They added that bad weather does not close it and it remains passable all year around while the Huaytiquina Pass and even the Sico-Siglia Pass are closed by snow 2 or 3 months a year.

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INTER-AMERICAN AFFAIRS

CARIBBEAN LEADERS VOICE CONCERNS AT SUMMIT WITH CANADA

Kingston THE DAILY GLEANER in English 26 Feb 85 p 3

[Text] Trade, aid and investment surfaced as major issues at the Canada-Caribbean Summit yesterday but other issues such as migration, tourism and politics also came up.

At yesterday morning's opening session before the leaders went into private discussion, four Prime Ministers spoke and all mentioned economics and particularly aid; the state of the economies of the countries concerned; relations between the Caribbean and Canada and the usefulness that the meeting could serve. The four, Prime Minister Brian Mulroney of Canada, Prime Minister Tom Adams of Barbados, Prime Minister John Compton of St. Lucia and Prime Minister Edward Seaga all praised the democratic traditions which bind together the countries taking part in the two-day conference.

Prime Minister Tom Adams of Barbados spoke about the impact of the world recession on Canada and the Commonwealth Caribbean countries and pointed to the fact that CARICOM had, in its infancy, been greatly affected by the spiral in oil prices in the mid-70s. He said the economic well being of Canada and the Commonwealth Caribbean was closely linked. He was glad for the continued priority of the Commonwealth in Canada's thinking, and welcomed initiatives in promoting trade.

Addressing the issues very directly, Prime Minister of St. Lucia, Hon. John Compton, said the Caribbean understood Canada's decision to adjust its external aid programme and that "great jubilation" greeted the announcement that Canada would honour the commitment in this area, made by the previous administration. But Mr. Compton said the countries of this region were in great need of assistance. The world economic situation had "decimated the value of our exports and doubled the value of our imports." He spoke about the high interest rates of commercial banks and international lending agencies and said he hoped that the Caribbean could depend on Canada in resisting moves by the World Bank which would be unfavourable to Caribbean States.

The Caribbean nations did not wish to be mendicants "but ask for opportunities" not as a crutch but to earn a living with some dignity. He asked specifically for Canada to provide help in tourism which he described as "the fastest growing sector in our economies." Mr. Compton also expressed regret

that private Canadian companies had not followed the lead of their Government in making investments in industry in this region.

He saw restrictions in immigration imposed by Canada as having grave implications for relations between both countries.

Miss Eugenia Charles, speaking at a press briefing on the question of immigration said that many Dominicans had gone to Canada and that in fact more Dominicans were living abroad than the 74,000 living in the country. She said the country was not sad that many Dominicans had to remain in that country and help in its development; but at the same time she was not keen on keeping people who wanted to go because they would not work in Dominica anyway.

Miss Charles painted a bright picture of her country's economy at the briefing, stating that her country was one of the positive model IMF cases where inflation had been reduced from 30 percent to 2.5 percent and employment had been brought down to 13 percent which was still too high. She said that there had been some pain but the structural adjustment process had been completed.

While several references were made to world political situation there was a focus on the strength of democracy in the region. Prime Minister Seaga referred to the situation that had come about in Grenada, "the harsh reality" and the return to democracy.

"We have already taken positive steps to signal to the world that the countries of our region are not prepared to stand idly by and allow alien ideologand political models to be imposed upon us," he said.

Prime Minister Mulroney also praised democracy. "We are all heirs to the great tradition of parliamentary democracy characterised by our love of free speech and our respect for the rights of the individual." He said that those who believed that democracy was a luxury for rich nations alone should come to the Commonwealth Caribbean and be otherwise convinced.

Prime Minister John Compton spoke of changes in Government in the last few months in the Commonwealth Caribbean and said the nations of the region were a "beacon of peace and freedom in a world threatened by dark shadows" of dictatorship.

Journalists have been focussing on issues of trade and aid and on the economy of host country Jamaica, and yesterday evening Senator, Hon Hugh Hart, Minister of Mining, Energy and Tourism, assisted by Dr. Headley Brown held a press briefing on Jamaica's economy. Mr. Hart said his visit to major tourist markets were assuring as Jamaica is seen as a "hot number." He said tourism was back to normal after the gas price demonstrations in mid-January. Everything that is possible is being done to save the bauxite/alumina industry from further deterioration, Mr. Hart said, but he refused to be drawn on what may be expected from Alpart in the near future.

CSO: 3298/444

INTER-AMERICAN AFFAIRS

CARICOM CHIEF NOTES SHORTCOMINGS IN INTRAREGIONAL TRADE

FL280056 Bridgetown CANA in English 1927 GMT 27 Feb 85

[Text] Georgetown, Feb 27---The outlook for intra-regional trade remains one of serious concern, warned Caribbean Community and Common Market (CARICOM) Secretary General Roderick Rainford as he gave the latest gloomy statistics.

He said an analysis shows that following the drop in trade among the 12 Common Market members of EC200 million dollars (one EC dollar--37 U.S. cents) in 1983, the level of trade in the first nine months of 1984 was EC80 million dollars below that for the comparable period in 1983.

All the signs show therefore that the momentum of intra-regional trade is still caught in the vortex of a downward spiral. The evidence indicates that this affliction is manifesting itself not only on the wider CARICOM level but at the intra-organisational level of Eastern Caribbean States (OECS) trade as well, Rainford said.

As the region prepares itself for another meeting of the Common Market Council of Ministers in the near future, the outlook for the intra-regional trade regime continues to give cause for the most serious concern, he said in a comment prepared for a forthcoming issue of the Secretariat publication PERSPECTIVE.

The challenge facing the ministers, Rainford said, is to keep the regional movement faithfully on the course set for resuscitating trade at the last Nassau summit.

He said the current outlook contrasts rather sharply with the goodwill and optimism which accompanied the announcement of the measures agreed on by heads of government in Nassau last July.

Rainford noted that three of these measures were to have been implemented by member states by January 1 this year. These concerned an increase in the customs tariff of member states on an agreed list of products, an increase in the required level of value added for certain products produced in the Less Developed Countries (LDC's) and implementation of the first part of the treaty requirement for the removal of customs duty in the LDC's on certain products when imported from the More Developed Countries, MDC's, he said.

The secretary general said a basic undertaking entered into in Nassau was that action on the measures would be followed by removal of restrictions on intra-regional trade.

As we go to press, the current status of implementation of these measures is that Barbados has taken action on the first of them, Guyana on the first and second, Jamaica (which was allowed a temporary suspension of the tariff rate increases) has taken action on the second and St. Christopher and Nevis on the first and third, he said.

He said while a number of countries had not yet completed domestic action on the measures, all member states remain committed to the implementation of the Nassau package. We confidently anticipates that any difficulties will be resolved and the measures put in place at the earliest time.

The forthcoming meeting of the council will therefore have before it the challenge of responding to the opportunity of keeping the movement faithfully on the course that was set in Nassau for intra-regional trade, Rainford said.

The council was due to have met at the end of January but the meeting was postponed because some member states could not attend. No new date has been fixed.

CSO: 3298/444

INTER-AMERICAN AFFAIRS

GENERAL INCREASE IN 1984 CARIBBEAN TOURISM REPORTED

FL210250 Bridgetown CANA in English 2255 GMT 20 Feb 85

[Article by Irvine Reid]

[Text] Bridgetown, Feb 20--Tourist arrivals in the Caribbean Basin at the end of last year were five percent higher than in 1983, representing an increase of 350,000 visitors to the region, according to the Barbados-based Caribbean Tourism Research and Development Centre (CTRC).

CTRC in its latest statistical news release here today said that information available for most Caribbean countries showed an increase in tourist arrivals last year over 1983.

It said that the Bahamas, Jamaica, and Puerto Rico, the three principal destinations in the Caribbean in terms of tourist arrivals, have reported increases of 8.3 percent, 6.6 percent, and 4 percent respectively, compared with a year earlier. The figure for Puerto Rico relates to non-resident registrations at hotels over the period January to November.

CTRC said the percentage improvement in performance for the Bahamas is particularly impressive as it represents an additional 100,000 tourist arrivals in 1984 on top of an increase of 140,000 in the previous year.

The largest percentage increase in tourist arrivals was recorded by Antigua and Barbuda, with a rise of 28 percent in 1984 over 1983, CTRC said.

Increases of 10 percent or more in tourist arrivals last year, compared with 1983, have been recorded by a number of countries, including Barbados (January to November only), Cayman Islands, Dominica, Grenada (January to November only), and St Lucia.

Exceptionally, CTRC said both Bermuda and Guadeloupe recorded decreases in tourist arrivals in 1984. Bermuda, which is mainly a summer holiday resort, experienced a decline in tourist arrivals of 6.6 percent in 1984, compared with 1983.

Guadeloupe suffered a decline of 15 percent in hotel registrations in the period January to September, compared with the same period a year earlier.

This was linked to a fall of 23 percent in European traffic, which more than offset increases in arrivals from North America.

CTRC said the main feature last year was the substantial increase in the number of tourists arriving from the United States and Canada, and the decline in the numbers arriving from Europe.

The increase in U.S. tourist arrivals in 1984 represents a continuation of a longer term trend. Apart from a setback in 1981, the number of U.S. tourists visiting the Caribbean has increased every year since the mid-1970's.

Given the outlook for the U.S. economy, further growth in U.S. tourist arrivals during 1985 is expected, CTRC said.

The number of Canadian tourists arriving in the Caribbean fell from 487,000 in 1979 to 407,000 in 1983, CTRC said, adding that the substantial increase in arrivals in 1984 marks a welcome reversal of this downward trend. Antigua and Barbuda, Aruba, Barbados, and St Lucia were among those which did particularly well in 1984 in increasing their numbers of Canadian visitors.

The total number of European tourists arriving in the Caribbean decreased in 1984, after having changed little in 1982 and 1983. The number of arrivals is now well below the peak levels of 1979 and 1980. All the traditional principal destinations in the Caribbean for European tourists recorded lower European tourist arrivals in 1984 than in 1983. However, Antigua and Barbuda, Aruba, and St Lucia went against the general trend and recorded increases in European tourist arrivals in 1984, CTRC said.

It is noteworthy that the increase of 17 percent in European tourists in Antigua and Barbuda in 1984 compared with an 8 percent increase in tourist arrivals from the United Kingdom and a 34 percent increase from the rest of Europe, CTRC said.

CSO: 3298/444



ANGUILLA

HUGHES COMMENTS ON EFFORTS TO HAVE GUMBS REMOVED

FL210238 Bridgetown CANA in English 2250 GMT 20 Feb 85

[Text] The Valley, Feb 20--Anguilla's finance minister, Hubert Hughes, today said the government's decision to sack him was triggered by differences over plans for the establishment of a casino. Hughes said he had opposed the plan, supported by other government members, for Taiwanese businessmen to set up the casino.

Establishment of the casino was a condition the Taiwanese set for purchasing a hotel which the government confiscated last October when the American owners failed to pay off debts.

The Taiwanese want to add the casino to the 40-bed Merrywing Hotel, which the government has been trying since last year to sell.

The row over the casino plan is the latest between Chief Minister Emile Gumbs since last March's general election in the small British colony.

Hughes, an independent who joined Gumbs shortly after the poll, said: I have served in this government for 11 (months) and it was nothing else but misery. As a matter of fact, I had to vote against my own government more than once in the legislative assembly, and this is unconventional when it comes to ministerial politics.

Yesterday, Gumbs asked the British governor, Alastair Baillie, to sack Hughes. Today Hughes said he would try to get signatures for a petition to be sent to Britain, seeking the removal of the Gumbs government.

This dismissal is affecting Anguilla, and we are going to protest to the British Government that this government will have to be removed, Hughes remarked. He added: If this government goes on for the next four years, there will be no stability in this island; there will be no progress in this island... I want the government removed.

He said he believed most people here will support his effort to have the government here removed.

CSO: 3298/445

ARGENTINA

FIRST STAGE OF INFORMATICS INCENTIVE PROGRAM ANNOUNCED

Buenos Aires INFORME INDUSTRIAL in Spanish Dec 84-Jan 85 p 15

[Text] The Secretariat of industry has announced the implementation of the "first industrial incentives program for electronics in the history of Argentina." The scope of this program is described in a resolution establishing the bases for public competitions or bids for awarding promotional incentives to businesses prepared to develop, produce, and market micro-computers and related products.

This resolution will be accompanied by others covering different objectives, which will be issued by other areas of the government represented on the National Informatics Commission.

The competitions for the allocation of incentives, announced by the engineer Lacerca in a press conference, form part of the implementation of the policies submitted to the president by this commission. This is "the first set of concrete instruments for industrial promotion issued by this department. Their purpose is to indicate concretely the industrial profile that has been designed for this vital sector." In this way, said Mr Lacerca, "the initiative is being placed in the hands of Argentina's private sector."

The industrial plan is divided into five sections. The first deals solely with industrial promotion in the area of data processing. The second and third are related to the promotion of industrial electronics and of telecommunications. The fourth covers the operational revision of the "Buy Argentine" program; and the fifth concerns a proposal to be made to other departments on the tariff regulations for this sector.

Some other remarks made by Lacerca indicate that:

- a. The ultimate goal is that, after this incentives program has been in effect for 5 years, at least 50 percent of the demand for micro-processors for data processing should be met by Argentine industry with a stock majority held by domestic capital. This market, which will be \$440 million for national products in 1990, will be handled by a select group of businesses.

- b. The competitions target the following market segments for microcomputers: multi-user, multi-task; single-user professional; personal/home computers; general peripheral equipment; integrators with specific systems; small business uses; peripherals; and large specific systems which, it is believed, are accessible to Argentina's industry.
- c. The bases and competition or bid requirements clearly define the industrial profile required and indicate the importance of technological aspects, of providing supplies for the local market, and of the export capacity.
- d. By means of future agreements with some of Argentina's provinces, the program will allow areas already provided incentives under special arrangements to integrate their industrial profile and to operate in harmony.
- e. The program calls for the establishment of industrial facilities in the interior of Argentina; this will mean taking a concrete step forward toward the decentralization of production, making growth possible in such areas.

After the dissemination of information on this program, the department of communications questioned the decision by the department of industry, pointing out that "the formulation of incentives for the informatics sector is not justified without first defining an overall policy for all the areas involved."

7679

CSO: 3348/460

ARGENTINA

PESCARMONA FIRM BUILDS NEW REACTORS FOR YPF

Buenos Aires INFORME INDUSTRIAL in Spanish Dec 84-Jan 85 p 31

[Text] With the production of two reactors for the Isomax unit of YPF's [Government Oil Deposits] Lujan de Cuyo distillery in Mendoza, an Argentine firm has become one of only five companies in the world capable of manufacturing this type of equipment, incorporating highly complex technology. (The four other bidders were from the United States, Italy, and Japan).

IMPESA [Pescarmona Metallurgical Industries, S.A.], a leading Mendozan company that has a strong impact on the gross industrial product of the province, responded positively to YPF's confidence, by manufacturing, assembling, and installing the new reactors, which are replacing the unit's original reactors, now at the end of their usable lifespan.

The reactors are two hydrocrackers to be used in the production of naphtha, light kerosene, and gas, by means of the atmospheric hydrogen cracking process, using light gas-oil in a vacuum. The fact that the work is done at an internal pressure of 150 kg per cm<sup>2</sup>, at a temperature of 454°C, and in a hydrogen atmosphere, explains the highly critical nature of the process and consequently, the technical perfection required of the units delivered. Inspections carried out in triplicate at each step of the construction process by IMPESA and YPF technicians ensure perfect quality control in the completed units, and full compliance with all safety regulations.

IMPESA's experience in the production of capital goods, the skill of its professional and technical staffs, and part of the potential of its modern production facilities were combined to carry out a job that is without precedent in Argentina.

The importance that YPF attributed to the delivery of its new reactors was underlined by the presence of YPF's director, Dr Hector Fiorioli, at the ceremony when the first piece of equipment was turned over to YPF. Dr Fiorioli noted the guiding role this company has in the eyes of all Argentines, and its role as a mother of industries.

At the same ceremony, Mr Luis Menotti Pescarmona, chairman of IMPESA, spoke of the support and cooperation provided by YPF. The engineer Enrique

Pescarmona then thanked the firm's staff for the excellent work they had done, carried out under extremely demanding conditions.

As an aside, we should also mention the work done jointly by IMPSA and Argentine Railways. In fact, the transfer of this type of equipment--which weighs more than 330 tons, is over 27 meters tall, and has an external diameter of 3.50 meters--may often prove to be the Achilles heel in such projects. In this instance, the vulnerable point was handled by means of the construction of a special car to carry the equipment, the dismantling of signal systems, the reinforcement of bridges and roadbeds, the change in the elevation and banking of various sections of the track, and most of all, by the checking of the condition of the bridge over the Mendoza River. This job was done with the aid of computerized systems so that a complex and detailed structural analysis could be provided.

The short trip between the factory and the distillery was covered in a little more than 10 hours, moving at the pace of an agile man. Halfway along the journey, applause was heard upon the passage of the train over a bridge connecting the national industry with Argentina's petroleum facility.

7679

CSO: 3348/460

ARGENTINA

OFFICIALS CHARGED WITH MUFFLING FACTS ON RISING VIOLENCE

Bahia Blanca LA NUEVA PROVINCIA in Spanish 26 Jan 85 p 6

/Editorial: "The Need for a Clear Posture on Violence"/

/Text/ It is no secret to anyone that in the last few months there has been a significant increase in criminal activity. Furthermore, it has not escaped the attention of observers and experts that there are ordinary and distinctive operational methods involved. For example, these activities are being carried out using methods which the police usually term "professional," by more or less numerous groups which operate commando-style and with a remarkably high degree of efficiency.

But, in addition, these groups--which more than one qualified witness is reluctant to include in what is generically known as "ordinary crime"--present other characteristics which official circles tend to cover up, such as the fact that their activities are carried out only in urban centers. Another even more alarming characteristic is that on more than one occasion, although it has not always come to public attention, the aim of the criminals was to steal weapons. That is why commercial establishments and military installations have been attacked. It is clear that in these cases--which are also more numerous than is believed--the purpose was for the attackers to supply themselves with heavy weapons to facilitate, in turn, their future illicit activities. There is an element here which suggests a new type of crime, never before practiced in our midst except by guerrillas.

Thoughts similar to the foregoing stem from the recent kidnapping of a well-known agricultural and livestock entrepreneur, for whose freedom, however, according to his emphatic statements, no ransom was apparently paid. The attitude of circles directly connected with the government in the aforementioned case was no different from that observed in similar cases. It was insinuated, with excessive and frightening clarity, that the perpetrators were "unemployed laborers," an unfortunate expression used by the head of the Interior Ministry, who uses it frequently, without ever offering any proof--as if it were both a new dictionary find and a political accusation--since obviously it was a reference to the alleged paramilitary forces which assisted in the repression of the marxist guerrillas.

The real truth of the matter is that the government--through misguided prudence, ignorance of the facts or ill-intentioned discretion--is maintaining a stubborn silence about this and other similar events, such as the attack on Mrs Peron's plane, at a time when public opinion is waiting and clamoring for the most precise information possible about an issue which is constantly surrounded by an aura of tragedy: the question is whether terrorist activity has reappeared in the country or not and, if it has, what consideration should be given to these recurrences of crime which touch the lives of everyone to a greater or lesser degree.

Of course it would be not only counterproductive, but simply immoral, for the nation's government, which has at its disposal the proper agencies to detect subversive movements wherever they might occur, to cover up their resurgence, to delay in duly informing the people or to propose a confrontation. It should acknowledge that there is no partisan interest here, but rather a major issue of national importance which involves and includes everyone, beginning, obviously, with the government.

It is obvious that the government has been entangled in the terms of a dialectic that it does not know how to resolve with honesty. If it had to admit that there is terrorism today, it would likewise have to accept that there was also terrorism in the past, which could sound very irritating to certain supersensitive ears, like a justification for repression. To admit that there are already signs of another guerrilla outbreak presupposes, in addition a change in the mentality of Argentine ruling parties, which never adopted reactions entirely or unanimously condemning subversion, as is attested to by that unfortunate 25 May 1973, which must not be forgotten.

It is to be hoped and demanded that this equivocal and basically evasive conduct by the authorities--who should at least publish a clear and sincere report of what is happening in the country with regard to crime, and especially its motivations--will not constitute a repetition of that tragic and incomprehensible error of 12 years ago, which cost Argentine society so much blood and the disappearance of so many individuals. Every state is responsible for its subjects, but a state within a republic has, in addition, the obligation to keep them informed.

8735

CSO: 3348/365

ARGENTINA

BAHIA BLANCA PORT EXPANSION PROJECT BEGINS FIRST STAGE

Buenos Aires LA RAZON in Spanish 15 Feb 85 p 20

[Article by Norma Nethe]

[Text] The first stage of reconstruction work on one of the country's chief ports will get underway on 4 March, when bids will be opened for building the improvements scheduled for Space 9 at Ingeniero White. This was announced yesterday by Roque Carranza, minister of public works and services, from the harbor master's office in the port of Bahia Blanca. Almost half of the country's exports of grain and grain products passed through that port in 1984.

The contracts for berthing and mooring structures at Space 9--the work includes dredging of the entrance channel to a depth of 40 feet, facilities for warehousing, loading, and truck handling, an anchorage for waiting ships, and improvements to the railroad yard--involves an investment on the order of \$35 million that is already included in the 1985 draft budget. The effect will be to increase loading capacity by 50 percent. Completion of this stage of the work is scheduled for the end of next year.

Carranza, who was accompanied by Governor Alejandro Armendariz and the under secretary for river and ocean transportation, Pedro Casado Bianco, said that the work which is about to begin will make it possible to handle even the so-called Panamax vessels of 60,000 deadweight tons. There will also be a significant reduction in the average turnaround time--thus increasing loading capacity from 1,000 to 3,200 tons per hour. This, added to the increase in the average cargo tonnage carried by the ships, means that the enterprise will generate annual profits estimated at \$30 million.

The second stage of work will be concerned with expanding the port as a whole on the basis of a prefeasibility study carried out by Nedeco, a Dutch consulting firm. Competitive bidding for design engineering in connection with the expansion and final dimensions of the port of Bahia Blanca is scheduled to begin on 18 March. In that second stage, a loan of approximately \$100 million from the World Bank for that specific purpose will be used.

The talks with the World Bank go back to 1972, when the loan was first offered for improving the entire port system in Bahia Blanca and the warehousing and transportation infrastructure. One of the obstacles arising during the arduous



progress of the project seemed to be that international organization's demand that it have direct control of the prefeasibility study. This was opposed by the Argentine consulting firms.

In July 1983, meanwhile, it was announced that there was a Soviet turnkey proposal. That proposal made its way through many important offices until the Radical administration rejected it completely with the argument that it was not as reliable as it was said to be. The completely new aspect--from Argentina's standpoint--had to do with Soviet financing: the USSR committed itself to buy all the wheat shipped from Bahia Blanca until the debt was paid.

In response to a question asked during his press conference yesterday, the minister of public works and services said emphatically that "there never was an official Soviet proposal to our administration." Carranza went on to explain that the topic was never handled on a government-to-government basis. It was a project "by Argentine technicians and professionals" interested in moving ahead with the work. He was undoubtedly referring to the participation by the Intmaco and Isla Nueva engineering firms, which, together with three other Argentine consulting firms, were working with TECHNOSTROYEXPORT, the Soviet state-owned export enterprise, to come up with the unofficial presentation in 1983. That proposal would have amounted to \$103 million.

Renovation of the port of Bahia Blanca will be completed in 1989, and the only thing still to be decided is whether the final depth of water will be 40 or 45 feet. When completed, it will permit the use of block carriers [as published], with, among other advantages, a considerable reduction in rates.

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CSO: 3348/432

ARGENTINA

INTI CHAIRMAN DEFINES RESEARCH, DEVELOPMENT PROGRAM

Buenos Aires CLARIN in Spanish 24 Feb 85 p 10

[Interview with Alfredo Octavio Russo, chairman of INTI]

[Text] "It is more important to improve the industrial structure we have and to see what we can do with it than to try to define a 'profile,'" the chairman of the INTI [National Institute of Industrial Technology], Alfredo Octavio Russo, told CLARIN. Some of his remarks follow.

Question: What is the INTI's role in the present economic situation?

Answer: The status of our industrial sector, after the hard years of the Process, is quite difficult. Our industry lacks investment and has too much of its capacity left idle. To rebuild our national industry, an institute such as INTI, devoted to the development and transfer of technology, is essential. In the current situation, we believe that technologies offering rapid access and requiring little investment should be given top priority. Such technology would help us to replace products we are currently importing and increase both the volume and added value of our exports.

Question: In 1980 the INTI's budget was \$45 million a year. In 1984 it had a budget of \$18 million. Is this budget decline compatible with its role of developing and transferring technology?

Answer: While our budget did decline drastically, causing a personnel exodus and delays in equipment modernization, the majority of our dedicated people stayed at the Institute, even though their personal options were much more restricted there. We believe that that historic budget must be seen as a floor, and not a ceiling. In 1980, when the INTI lost its financial self-sufficiency, it no longer collected 0.25 percent of the credits allocated to industry. We must recover that real resource; its legislative consideration should not be postponed any longer. While we do suffer from an inherited economy of poverty, not spending on technological development would mean mortgaging our future.

In this area, Argentina needs a budget in harmony with its potential for an immediate response in terms of our production capacity.

Question: Why does the INTI lack a strong positive image among industrialists in the interior of Argentina?

Answer: Those who have made use of its services know its true worth. Where its image is unclear, as in the interior of Argentina, that is due to the fact that our public relations efforts have been handled inadequately. There we must generate not only an image but also real and effective assistance. For years, perhaps through the fault of public funding allocations, it was expected that industry would come to INTI, instead of INTI reaching out to industry. We are prepared to turn this situation around, by seeking out businesses and looking for problems.

#### New Directions

Question: Can you draw us an overall picture of the activities handled, taking into account the critical situation you have described?

Answer: These aren't new activities, but rather it's a matter of redirecting what has already been done. When we began our term in office there, we found a scattering of resources that didn't converge toward any effective program. Personally, in such circumstances, I believe that rather than trying to define an "industrial profile," it is important to improve the industrial structure we have, and to see what we can do with it. That is why seven programs were selected, programs which involve activities with which we already have experience, and which call for limited investment. And at the same time, they have the potential to produce a rapid impact on our exports. Among these programs, we should mention the Food and Packaging Technology Program, which has been operating since last year. The second program--the order of listing doesn't imply any ranking in importance--is the Electronics and Computers Program which, as it deals with brain-intensive activities, offers some comparative advantages. The third, Process Technology for Chemical Products, is designed to give preference to small and medium-sized industries. The fourth is Materials, Equipment, and Processes, designed to support the development of new materials, especially involving metal-mechanical processes.

The fifth program is Applied Physics, Metrology, and Quality Control. The INTI has extensive experience in metrology at a very good international level. This program is designed to set up reasonable control methods for our exports and imports. Inadequate calibration elements may lead to under-billing--as is now happening with our grain scales--and the lack of quality control methodology keeps our products from being competitive abroad.

For Construction and Housing, the sixth program, the INTI has extensive experience in the area of large-scale concrete work. We can also offer some help with technological developments that will facilitate access to economical housing plans.

And finally, the seventh program, Natural Resources Technology, will receive some strong support from the INTI's Cellulose and Paper Center, the Department of Thermodynamics, and the Wood, Textiles, Leather and Minerals Centers.

Along with these objectives, we have made some commitments: we will use what we have within the INTI and whatever interaction we can establish with the existing industrial structure, in order to optimize the INTI-industry partnership.

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ARGENTINA

GOROSTIZA EXPLAINS COMMUNICATIONS REMARKS MADE IN HAVANA

Buenos Aires CLARIN in Spanish 26 Feb 85 p 26

[Text] "I certainly did not say in Havana that I was in agreement with the New Order for Communications and Information recently proposed at UNESCO. They simply asked me there if I believed that the state should control the communications media, and I answered yes, that it should control the media, but not all. This is in perfect harmony with our election platform in which we reaffirmed our old struggle for freedom of expression in democracy." This statement was made to CLARIN yesterday by Argentina's secretary of culture, Carlos Gorostiza, in response to a statement from the Association of Argentine Television and Radio Broadcasters, in which his support for the system called, in short, the New Communications Order, now being discussed in UNESCO, was questioned.

This organization, whose initials match its official name, United Nations Educational, Scientific, and Cultural Organization, has its headquarters in Paris. It is now at the center of an unusual controversy, because of two disputed issues: its high budget and a marked intention to disseminate this "New Communications Order" throughout the world. In essence, this consists of permitting each state to assume preponderant control of its information media.

With a membership of 161 countries--the Argentine democratic government has still not named its ambassador--UNESCO is now presided by the Senegalese, Amadou Mahtar M'Bow. The strong pressures created by this heated debate threaten M'Bow's longevity in this post. France, for example, has made some special payments to the UNESCO budget, and thus heads one of its factions.

Then on the other side, the United States, followed by Great Britain, has taken an opposing position, by preparing to resign from the organization. They maintain that the New Communications Order is the product of Soviet influence on UNESCO, and in addition would provide an ironfisted control by the state over information.

## The Question

In reality, Argentina's secretary of culture doesn't have any direct link with UNESCO; that is rather up to the department of public information. Nevertheless, when Carlos Gorostiza visited Havana, he was asked during a press conference about the New Communications Order, and he said: "I remember perfectly well the face of the journalist who asked me the question; he obviously misinterpreted my answer. But unfortunately I don't know what agency he represented or how that version got to Argentina, triggering off a counterattacking statement that seems somewhat frivolous to me, since it was taken out of the context of that press conference."

Gorostiza, who had attended an Argentine Film Week in Quito, then went to Havana, where shortly before the Argentine films, "Camila," "Darse cuenta," and "Asesinato en el Senado de la Nacion," had received awards. He added: "What I said exactly is that it is fine for the state to have communications media in order to maintain contact with the nation's inhabitants, but that it is necessary to determine which communications media it should have. I personally believe that the state should not control all the media, and also that it should not have no control of the media. That is what I told the reporter who asked me that question in Havana."

The secretary of culture continued: "We would have to determine if what is known as the New Communications Order is appropriate or inappropriate, by establishing clearly that the state is not the government. If the communications media belong to the state, they belong to all the people of the nation, but if they belong only to a particular government, they would only be useful in defending that government's political interests. That is not the case with the Radical Civic Union..."

Gorostiza added: "Except for matters related to the ATA [Argentine Television and Radio Broadcasters], the department of culture of Argentina has no involvement in the communications media. It is the department of public information that will set our nation's position in relation to UNESCO. My statement in Havana--which has already been made sufficiently clear--was made on a personal basis, given my status as an official of this government, but without adopting an official position. Let me make it clear, in closing, that the reason why the ATA statement disturbed me is that, if I have shown any consistency on one point in my life, it is that I have always worked to promote freedom of expression."

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ARGENTINA

POLICE SAID UNEQUIPPED TO HANDLE RISING CRIMINAL INCIDENTS

Government Officials Voice Concern

Buenos Aires SOMOS in Spanish 15 Feb 85 pp 6, 7, 10, 12

[Text] Insecurity

The statistics claim that the 20,026 crimes committed against property and the 2,894 committed against individuals last year in the conurban area, or the 42,154 crimes committed against property in the Federal Capital, or the 1,328 cars stolen in Buenos Aires during January, or the 45 policemen killed in both areas are not figures drastically larger than those recorded in 1973, when the country emerged from a military regime. During those years, civilians were also in charge of the government, and there was a slackening of many of the expedients which (whether questionable or not) had curbed crime. Nevertheless, seldom has the man on the street felt so unprotected as he does now, with such an anxious degree of insecurity, in view of the common criminality. One fact abets the spread of that anxiety: the explosive amount of violence and disregard for human life harbored by today's criminals. Those committing assaults on streets, the sneak thieves, the street gangs, the gangs of juvenile delinquents, the fanatical members of the inappropriately termed "brave gangs" or the robbers of apartments are now operating with an unprecedented degree of aggressiveness and violence.

This state of affairs seemed to be reflected quite dramatically by the massacre at General Rodriguez (on 10 December), in which seven persons lost their lives trying to escape from a street assault. This incident was the high point in an escalation including acts of a magnitude such as the five persons shot in Derqui, the holdups of the Salles and Sasso Hotels (Mar del Plata), the kidnappings of Sergio Meller and Ricardo Lanusse or the holdup and gun battle at the travel agency in Suipacha and Santa Fe ; or when the psychosis over the crime wave made it possible for the journalists in a news agency to reiterate a "changed report" stating that, in Buenos Aires, it was possible for a train to be taken over by five individuals at 1030 hours. This phenomenon, which has been growing and proliferating among all strata of society, has more than one cause, and also more than one consequence.

## In the Government

On the morning of Wednesday, the 13th, one of the private telephones at the Ministry of Interior rang. The secretary announced the call: Eduardo Angeloz, governor of Cordoba. The high-ranking official who answered the telephone was precise: "All right, the matter has been arranged. The money is already there; carry out the procedures with Finance and just complete the purchase." Angeloz had called to find out whether or not the purchase of a fleet of cars for the Cordoba police was to be made.

At that time, in other Interior Ministry offices, the heightening of violence was a topic for analysis and meetings. The officials agreed on one diagnosis: The renewed outbreak of crime originated in the shortage of police facilities, the socioeconomic crisis and the "tail-wagging" over the law on commutation of sentences. The Interior Ministry members usually claim that the problem will be solved by a greater police presence on the street (prevention, deterrence), automotive (patrols) and technical reequipment and "community participation."

Last week, while walking through the Hall of Busts, a high-ranking police chief confided in a reporter: "We have no problems following the Troccoli plan, but with what equipment?" That confidential remark reveals one of the main facets of the problem which, during the past few days, prompted Antonio Di Vietri (Federal Police) and Walter Stefanini (Buenos Aires Police) to visit the offices of Antonio Troccoli and Raul Galvan several times, with a reiterated argument: requesting funds and equipment.

Early this week, when the problem of the citizens' unrest was reaching one of its highest points and the anxious feeling of lack of protection and insecurity was becoming substantiated on the street, some knots began to be untied. It was learned that the government had given the "go-ahead" to have 400 vehicles distributed among the Federal Police and the provincial police, and that the provision of short-barreled weapons ( 9 mm pistols) and ammunition for the police stations in the capital and interior had been carried out.

But everything cannot be solved with equipment, because the shortage of police personnel (one of the complaints most often heard from the man on the street) is one of the most difficult problems to solve. By way of example: to protect the nearly 3,500 square kilometers of the conurban area, the Buenos Aires police have 10,912 members and 205 patrols, an obviously insufficient number. The salary problem also affects the institutions, and there are increasingly fewer opting for the difficult job of being a policeman, with low pay and a growing danger of death. In this connection, it was disclosed that, last year, 1,800 members of the Federal Police had requested their resignation, solely for salary reasons.

From the comments circulating privately among those close to the government, it has been learned that the decision to put the largest possible number of personnel on the streets, including those engaged in administrative tasks, had



caused "irritation," proving the extent to which the crime wave concerns the police personnel. From channels that the police are in the habit of using when they are trying to make their dissatisfaction known, one learned of the uneasiness prevailing among the administrative personnel who would have to take to the streets to confront the criminals. One spokesman remarked: "The criminals are better trained and have better equipment than we do. We are an easy target under those disadvantageous conditions."

In another office, Commissioner Di Vietri claimed that the training for police personnel had been intensified, that intense shooting practice is being held and members are being trained in different procedures.

In the government, it is usually claimed that the criminals of all types have oiled their machinery to obtain access to an increasingly more sophisticated arms market, and to the "intelligence work" on the spot, to plan their strikes. In this regard, one of the questions concerning the man in the street is the reason for the increase in thefts of houses, apartments and cars in residential areas or those with well-known vigilance. An official from the Interior Ministry commented: "The thieves know that if many police are stationed in one place, it means that there are few in another. And that is where they seek candidates with good purchasing power to ensure the loot, risking the operation in areas that have had a great deal of vigilance but, in any event, not sufficient." In the government, it is stressed that, if the focal points for violence and crime (soccer fields, performances, transportation, dwellings and country houses) proliferate, and there is no commensurate increase in the available personnel, the prospects for the criminals will be heightened. And they put forth some statistics. For example, they say that last year, on the Plaza de Mayo, there were 160 political and trade union demonstrations which took many police-hours to control.

#### Those Who Went Out

"Look, kid, you already have my weapon and money...what more do you want? Don't complicate your life, let me go."

It was 0500 hours on Tuesday morning, 4 February, and the Federal Police sergeant, Roman Rylco (36, married, with four children) had just been held up. A young man aimed a gun at him a few blocks from his house in Villa Centenario, took his weapon and some money, and even forced him to accompany him to buy cigarettes at a stand. It was shortly thereafter (in the foggy dawn) that Rylco gave him what was to be his last advice.

"Let me go and go yourself too. You won't get anything more from me."

"All right, walk fast and split," was the terse response.

The sergeant may have thought that it would all end happily, although something in the look of the holdup man and in his contemptuous tone of voice evoked feelings of alarm that were not assuaged. He took one step, two and three. Then he felt a blow at his neck, the muffled echo of an explosion, and his

brains were blown out. His murderer, Miguel Angel Roa (25, an ex-convict) had just taken revenge for his past years of incarceration. Roa was one of the 2,000 convicted persons benefited in July 1984 by the passage of Law 23,070, which reduced sentences and allowed the release of criminals a high percentage of whom (estimated at 30 percent) have returned to prison as second-time offenders. Similar cases have occurred with alarming likeness during recent months, to the point where people are wondering with alarm the extent to which the Congress is responsible for the increasing crime wave.

"Matters should not be simplified, the Congress is not to blame, but rather the prison system which, instead of reeducating the individual, confines itself to isolating him from society for the purpose of punishing him." Peronist Deputy Lorenzo Pepe becomes excited in answering the question from SOMOS. "There are two causes for second offenses: first, a jail that does not reeducate, and second, a society which is unwilling to receive the convict, which isolates and disdains him."

Nevertheless, Pepe agrees that there is currently a shortage of security.

Meanwhile, N.G., a 28-year old housewife residing in Nunez, agrees with the deputy about the shortage of security, but not so much concerning the opportunity for reducing the sentences of proven criminals. She thinks, "We have moved from absolute repression to total license." Flanked by two enormous dogs, J.G. (25), a bank employee from Villa Urquiza, states matters from an opposing angle: "We must remember a little and realize that now one can travel on the street with more equanimity. During the military government, you would be stopped every once in awhile by those in uniform or civilians, and you never knew where you might end up. Perhaps now the criminals are operating with greater confidence, thinking that there will not be so much repression, but most people can travel about without concern," he theorizes.

#### Law With Comings and Goings

Fernando de la Rúa, Radical senator from the Federal Capital, was one of the legislators opposing the mechanism whereby the Congress brought about the release of prisoners in mid-1984. (In the Federal Capital alone, at that time, about 1,000 convicts were freed, while in Buenos Aires Province 1,047 were released. Another 1,100 had benefited from previous provincial decrees.) The senator admits that there is an increase in crime, but claims: "Democracy must prove that it is capable of ensuring the maintenance of order; which is a joint task for the society and those governing." He explains that the initial bill of the Executive Branch was aimed at eliminating the effects of the special repressive legislation in effect during the military process and at returning to the Constitution. The initial bill intended to acknowledge the "extremely stringent" nature of the prison system in effect during the military government, and to lessen the effects of this strictness; and it proposed to count 3 days for every 2 days of detention of those sentenced. The bill was amended in the Chamber of Deputies. It was stipulated that those held for "reasons with political connotations (systems specified in Decrees 1,209/76, 780/79 and 928/80) would receive an even greater benefit: For them, 2 days

of imprisonment would be counted for every day that they had actually spent in jail.

The Senate had in the Justicialist Vicente Saadi a vehement defender of the swift passage of the bill, with another addition: Three days must be counted for every one in the case of all inmates without exception (including those described by the legislator as "common" or "social" and those designated as "special" or "political"). De la Rua now remembers that he held a meeting at the time (together with Antonio Berhongaray, from the Pampa, his colleague in the legislative group) with high-ranking police chiefs who described the planned mass release of prisoners as "untimely." De La Rua says: "It was necessary to proceed using partial commutations to prevent real gangs from taking to the streets; and to use the procedure of individual pardons for groups of inmates after an analysis of their individual situations." He recalls: "But at that time the Peronist position was irreducible; the vote in June turned out to be tied at 18 votes, and Edison Otero, who held the chairmanship, had to back our bill."

It was not sufficient. When returned to the Chamber of Deputies, the Radical senators' bill was rejected. The Lower Chamber insisted on its original passage: 2 days for every 1 for the "political" prisoners and 3 for 2 for the "common" ones. The fencing lasted until July and, when the Senate finally had to act it opted "for the lesser evil," in the words of a provincial senator. The Chamber of Deputies' view was accepted only to block the "Saadi variation," which would have put on the streets a much larger number of inmates (2,500 common and 70 political).

The only one who submitted an opposing bill was Ricardo Leconte of Corrientes (Autonomist-Liberal Pact), who then gave a reminder that the National Constitution authorizes the president to commute federal sentences following a report from the courts. He predicted: "It is enough with that; many of those now voting for this concealed amnesty will be sorry in the future."

#### Fear and Coupism

There is an almost unanimous view among the legislators. Oscar Fappiano, a Peronist and vice president of the Chamber of Deputies, believes: "The criticism made of the weakness of democracy conceals a desire to make it disappear." Luis Leon, a senator from Chaco representing UCR [Radical Civic Union], and leader of one of its internal movements, told SOMOS: "There has been no increase in crime, but only the noise caused by the criminal incidents in this atmosphere of freedom in which we are living."

These are not the only ones speaking. In Congress, there is a general belief that there is "much ado about nothing," in connection with the rise in violence and criminal acts. "It must be realized that 70 percent of the prison population always consists of second offenders, and a far lower percentage relates to first offenders (criminals for the first time)," claimed Nestor Perl (Peronist from Chubut). And he added: "The prison system and the criminal's rehabilitation in society have failed. But it is childish to say that Congress

is to blame for the wave of crime, because a person who has not changed his behavior in 6 years of imprisonment will hardly change it, even if he were to spend another year behind bars."

#### The Other Causes

The phenomenon is not new, and has precedents in nearly all the large metropolises and during certain phases of social evolution. Dr Humberto Mesones Arroyo, a psychiatrist consulted by SOMOS, attributes it to "permissiveness in education and hedonism which is invading the social structure and culture. The permissiveness begins with the family and the society. For example, the street gang used to be looked down on in the past; now the members are called 'brave gangs,' a big mistake, because it is a kind of concealed praise. They are starting to proliferate now. In this way (he argues), we are creating and fostering a breeding ground." But the transformation of the family is a key point: the mother who goes out or works; the father who is hardly with his children; the education entrusted only to the school, etc., are deciding factors on which the experts agree.

Finally, when it is time for conclusions, this is what emerges: There are no more crimes than there were 12 years ago, when another civilian government was emerging from a military period. But there is more crime than in 1980, for example. So, there is an ascending curve. Therein lies one of the roots of the current general concern over the crime wave. The other roots, the new ones, the upsetting ones, are imbedded in the unprecedented amount of aggressiveness now accompanying this rise in crime. Perhaps (this was the conclusion that most of those interviewed expressed to SOMOS) the time has come to call things by their name, neither creating anti-heroes nor making a criminal a victim. The clearcut boundaries must be set and now that the institutions have the republican safeguards, crime will have to be prevented, but without being afraid of the term repression.

#### Juvenile Crimes Increasing

Buenos Aires SOMOS in Spanish 15 Feb 85 p 8

[Text] The Time of the Street Gangs

Besides the statistics (the number of crimes committed in 1984 was very large but nevertheless considerably less than that recorded in 1973), there are three significant items of information comprising an alarming innovation in the police statistics: 1. the proliferation of gangs (street gangs); 2. greater aggressiveness; 3. a substantial increase in juvenile delinquency.

The Buenos Aires conurban area (consisting of 19 sections) reflects the magnitude of the problem. "Between 11 December 1983 and 10 January 1985, 1,583 gangs were arrested," SOMOS was told by the inspector commissioner, Domingo Fortunato, the number one man in the investigation of the notorious Briant case and now head of the press division at the Buenos Aires police headquarters. He went on to say: "But the dreadful part is to see how those gangs were set up: 3,087 men, 90 women and 1,208 children. In other words, there has been a very sizable increase in juvenile delinquents between the ages of 15 and 17. They are children armed with knives and revolvers, most of whom are very

aggressive; they are not satisfied to steal, but they also rape, kill and abuse with complete sadism."

The rise in juvenile delinquency began recording red figures last summer, when the phenomenon of the street gangs devastated the Mar de Plata beaches. And ever since, rather than declining, the problem has been on the rise. Agreeing on this are the Federal Police chief, Antonio Di Vietri, and the chief of police of Buenos Aires Province, Ruben Walter Stefanini. The situation is also often linked to drugs. A high-ranking police source told SOMOS: "It should not be thought that they are consumed by the children of the wealthy alone. In Lugano I and II, to cite a poor district in the Federal Capital, and even among the province's villagers, the consumption is constantly increasing. Those children don't even have enough to buy a can of glue. So what do they do? They steal."

"Of course, sometimes they steal without any reason," said Elias Neuman, a penal specialist, criminologist, professor and author of, among other works, "Dialogues With Drug Addicts," "Open Prison" and "The Prison Society." Neuman continued: "That is what really scares me: the crime of the middle-class children who hold up the ladies on the elevators in Barrio Norte, or on Santa Fe Street. They are well-dressed children, even of the upper class, with very good manners and brand-name clothes. A lady who came to see me after having been held up described them to me very graphically: 'Doctor, they are blue-eyed blondes.' And do you know why this alarms me? Because this is a new type of crime: it is crime for its own sake, not out of hunger needs. It is crime for status, for amusement, to kill time, to have an adventure, to be someone. It is crime for lack of ideals."

Despite the real magnitude of the problem, every time the authorities from the juvenile area are consulted the view seems to have different scopes. They take the figure of 1,000 adolescents as members of street gangs in the entire national territory, a statistic which is not consistent with any of those given by the police. A national official from that area told SOMOS: "The number of street gang adolescents is minimal when one considers that there is a population of 4.5 million inhabitants between the ages of 15 and 25." Another added: "It is also small when one considers that there are 1.5 million living under the poverty level." But this source noted that there are in the country 27 national institutes for minors, with a population ranging between 10,000 and 12,000 children and adolescents per year.

From a statistical standpoint, in the Federal Capital there has been a 25 percent increase in thefts committed by minors between 1983 and 1984. In the Buenos Aires conurban area, the increase has been 30 percent. In Resistencia, Chaco, a police report disclosed that, between September 1984 and February 1985, 95 delinquents between the ages of 14 and 20 were arrested. They committed 108 crimes, including several cases of torture, rapes, a kidnapping and two murders.

Why is this happening here and now? Several sociologists and psychologists have stressed the political use that has been made of the youth. More than

one remarked ironically: "They were too young to choose what to read, what to study or whom to vote for; but when the war came, they sent them to the front." This, compounded by the socioeconomic factor, the instability, the family breakup, the motive of success and consumerism, has completed the picture. According to Neuman, "Argentina is a razed country." He asks: "So what do they want, bizarre behavior? From whom? From those who have no culture? From those who have nothing to eat?" Something to chew, no doubt, and to think about seriously, without further comment.

#### Federal Police Chief Comments

Buenos Aires SOMOS in Spanish 15 Feb 85 p 9

[Text] Di Vietri: 'It Was an Untimely Law'

He is the chief of the Federal Police, but he doesn't talk like a policeman. He appears, rather, as a cautious politician or an experienced lawyer. Antonio Di Vietri does not evade any question, and has a natural inclination toward attaching the social context to every question asked by the man on the street about the wave of violence. This was the dialogue that he held with SOMOS:

[Question] What are the police doing to reverse this rise in violence?

[Answer] The police are reversing their methods, the personnel are being streamlined. This means that most of the personnel and equipment are now engaged in prevention and vigilance work.

[Question] Is that personnel sufficient to give the citizens security?

[Answer] We have 35,000 members, including administrative and operational ones, to provide for approximately 3 million people in Buenos Aires and the vicinity. But I don't think that they are sufficient, and we are negotiating with the government to recruit more personnel.

[Question] Is this increase in violence only a police problem, or is it a political one as well?

[Answer] This situation must be viewed from several angles. One of them is the police angle, as I said before, where the resizing has to be considered. Another area relates to the government's measures affording people better job opportunities, opportunities to make good use of the leisure and unactive time. The other area, an essential one, is the community's cooperation to make security a concern for everyone.

[Question] Is the socioeconomic situation to blame for what is happening?

[Answer] It is a cause, another item, in the entire phenomenon. We need not apply the proverb that "the occasion makes the thief." But it has an effect. There are individuals (especially the youth) who have behavior conducive to

crime and wants, the lack of opportunities and of jobs, and an ambition for certain material goods, causing them to succumb to crime.

[Question] Are there any statistics showing in a convincing way that the larger the amount of poverty or want, the higher the crime level?

[Answer] Yes, that is well-known. There are criminology statistics from many years ago, occurring not only in Argentina, but in other countries as well. The economic crisis is also connected to all this. Moreover, the very conditions of modern life, the pressure and the technology, have fostered an increase in crime as an undesirable result.

[Question] Commissioner, are the thieves of today, the violent ones and the street gangs afraid of the police?

[Answer] Yes, of course they fear them. They know that the police are duty-bound to repress all unlawful conduct, that they know how to do it and that, afterwards, the entire juridical system goes into effect.

[Question] It would appear that no one today wants to be a policeman, and that the profession is of little interest because it is thankless and dangerous.

[Answer] I don't believe that. In the history of the police, there have always been ups and downs in the number of those entering. But the issue today is not the lack of vocation or rejection of the profession; but merely the problem of salaries.

[Question] How much does a street policeman earn?

[Answer] One just joining receives 40,000 pesos, and one with more seniority earns more. This is critical. I have come from the United States, and a federal agent coming out of the instruction center earns \$2,000. I think that there is a little difference....

[Question] There is also a difference in country....

[Answer] Because of the risks in his work, the policeman needs more compensation. I shall cite the evidence: we have had over 26 fatalities.

[Question] How many of them were killed by prisoners who were released as a result of the commutation of sentences?

[Answer] I don't have the statistics now, but it is not an alarming proportion. The alarming thing is the number of second offenders committing crimes.

[Question] Do you think that it was an untimely law?

[Answer] Of course it was untimely! I shall cite the evidence. From the standpoint of security, that law should have been dealt with later on, when

the country was more geared to this system of life. What I question is the occasion on which it was dealt with.

[Question] Have the inmates who were released helped to increase this crime wave?

[Answer] The escalation of crimes has been rising for the past 10 years. But it is also a fact that the percentage of prisoners who were released and engaged in criminal behavior again is immense. The problem is complex; If one has not been reeducated, if he has no job nor place to live, the freedom only helps him to commit second offenses.

[Question] People usually claim that, when the police arrest a criminal he enters the court by one door and leaves by the other, recycling the path of criminality endlessly. What is your opinion?

[Answer] It is an important issue, and would have to be analyzed from the standpoint of the law and the individual liberties that the community has. And in this connection, the democratic principles are categorical: they are either applied or they are not applied. There are no halfway measures.

[Question] Since the dirty war, has Argentine society lost respect for life, has it lost sight of what human life means?

[Answer] You see, I think that part of the population has lost it. Not everyone has lost values. This has been done by the maladjusted, the violent ones who know nothing about moral, ethical or religious values, or concern for one's neighbor. They are the ones who are swelling the ranks of crime.

#### Provincial Commissioner Interviewed

Buenos Aires SOMOS in Spanish 15 Feb 85 p

[Text] Stefanini: 'There Is More Aggressiveness'

He is 54 years old and has 62 police stations, three children and 1.6 policemen responsible for every 1,000 inhabitants. He provides for the security in the largest and most densely populated district in the country: Buenos Aires Province. Rather short, with graying hair and mustache, General Commissioner Ruben Walter Stefanini received SOMOS at the headquarters of the Central Police Department. And, with coffee intervening, the dialogue began in this way:

[Question] The many crimes in the western access have prompted the question as to whether we are faced with a new type of crime, a serial type of offense.

[Answer] It is an unusual, disturbing situation; an odd situation that does not fit into the mode of what we call "serious" crime. To be sure, the modus operandi of holdups has always been most varied; there have been holdups of cars, in motorcycles, at traffic lights and at grade crossings, when the drivers were waiting for the barrier to be lifted.



[Question] People assume that crimes have doubled during the past year. Is that so? Or is this a type of psychosis involving insecurity?

[Answer] Crimes have not increased to any great extent. To give you an idea: In 1972, we had 18,000 crimes against property; in 1973, a record 23,000; in 1974, we dropped to 19,000; and in 1984 there were slightly over 20,000. These figures that I am giving you are the ones for the Buenos Aires conurban area, and show that in 1973, for example, there were 3,000 more crimes than in 1984. The fact is that they are now more aggressive.

[Question] Is the increase in street gangs significant?

[Answer] Yes. Note that, in 1972, for example, we broke up 174 gangs in the Buenos Aires conurban area. In 1983, it was 900; and in 1984, 1,245. From the start of the constitutional period to the present, in other words, from 11 December 1983 until 10 January 1985, we arrested 1,583 gangs comprised of 4,385 criminals, more than 30 percent of whom were minors from 15 to 17 years old.

[Question] Do you have the necessary facilities available for combating and preventing crime?

[Answer] I admit to you that we have found the police in Buenos Aires Province virtually without infrastructure, and with a rather low level of equipment. We are now aiming at improving this situation, because otherwise crime prevention (which is our real function, because the repression comes in when the limits are exceeded) is almost a utopia.

[Question] How is the situation being improved?

[Answer] With national assistance, we have acquired weapons; and through other participation on a provincial level, we have purchased patrol cars which are now about to be delivered.

[Question] In sufficient numbers?

[Answer] Never in sufficient numbers; only for replacements. This is an institution which needs many facilities, because the jurisdiction is large and there is a great population density. We have 224 patrol cars for 62 police stations in the conurban area. Now, 19 new patrol cars purchased by the police cooperatives in the different zones are being brought in. We might say that this is to mitigate the circumstances.

[Question] What is the most troublesome area?

[Answer] All of Greater Buenos Aires. It is the one which most needs logistical facilities and personnel also. We are engaged in a drive to incorporate personnel and in a plan of the provincial government aimed at doubling the number of police departments. We need a police station for every 50,000 or 60,000 inhabitants.

[Question] What are the current figures?

[Answer] In the conurban area, there is one police station for every 109,700 inhabitants, and 1.6 policemen for every 1,000 persons. As for area: there is one police station in every 55 square kilometers, and one policeman in every 3.15 square kilometers. It does not suffice to work miracles.

[Question] I have learned that personnel from your department carry out daily search-type procedures in various neglected districts and that the press is invited to witness them. What is the basis for this method?

[Answer] We are trying to find the means of providing the necessary prevention. We must offer a police presence on the streets, and it is with those services that we shall achieve this. These operations are carried out to offer a little more security. And we go with members of the press because, through them, the society learns what we are doing and how we are doing it. Often, on those operations, we find people whose capture has been recommended, escapees or weapons of various calibers.

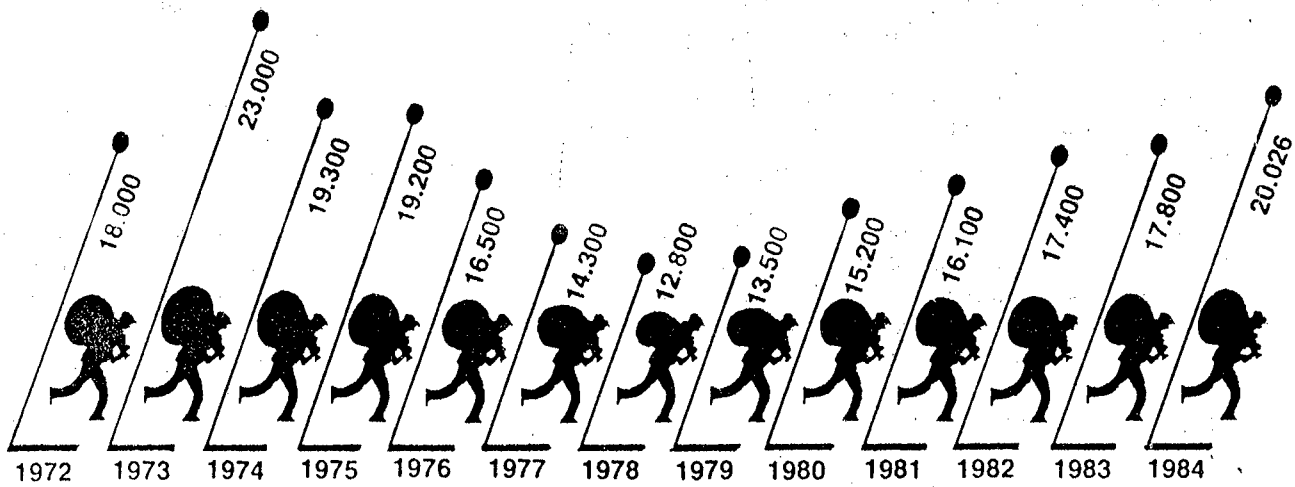
[Question] Could you give me an estimated figure on the number of those released by the law on commutation of sentences who have committed more crimes?

[Answer] The commutation of sentences is one thing, the reduction is something else. The sentence is commuted for those who really deserved it for good conduct. Here in the province, based on Decree-Law 10,107, on commutation of sentences, 632 were benefited and 92 were released. Later, based on Decree-Law 10,120, on release from prison, also a provincial one, 920 were freed. And, based on National Law 23,070, on reduction of sentences, 3,261 being held were benefited, and 1,047 were released. In other words, the total of those benefiting in Buenos Aires Province is 3,893, and the total released is 2,059. Thirty percent of those released, that is, about 700, have committed further crimes.

[Question] In view of such an index, it would be better if I did not ask you what you think about these laws....

[Answer] It is easy: without these laws, we would be far more at ease. Shall I give you a concrete example? We have the case of someone released from the Sierra Chica prison at 0000 hours. He had fare to go to Buenos Aires; and at 0600 hours we arrested him for a holdup in the La Matanza area.

(1) Robos cometidos en el Gran Buenos Aires



(2) NOTA: De los 20.026 delitos cometidos en 1984 fueron esclarecidos 9.034.

- (3) La ola de robos viene en aumento. También aumenta el grado de violencia.  
 En el '73 hubo más delitos, pero la delincuencia común no había creado tanto nivel de inseguridad.

Key to Graph

1. Thefts committed in Greater Buenos Aires
2. Note: Of the 20,026 crimes committed in 1984, 9,034 were solved.
3. The wave of thefts has been rising; and the degree of violence is also rising. During 1973, there were more crimes, but common criminality had not created such a level of insecurity.

2909

CSO: 3348/422

11 April 1985

## ARGENTINA

## GULF BETWEEN GOVERNMENT, MILITARY SEEN NARROWING

Bahia Blanca LA NUEVA PROVINCIA in Spanish 28 Jan 85 p 1

/Passages enclosed in slantlines printed in boldface/

/Text/ The expressions used last Friday at the Azul military garrison by Army assistant chief of staff Gen Federico Schirmer and here by the deputy commander of the Fifth Army Corps, Gen Leopoldo Hector Flores, condemning, in the severest terms, the subversive activities of the past and, at the same time, paying tribute to those who fell in the war against the Marxist guerrillas, /were listened to with special interest by government officials, and there was no lack of those who suggested to the president of the republic himself the need to evaluate, in a disciplined manner, what the military commanders had said. /This suggestion was based on two aspects of the military speeches; the one that was termed political and which referred strictly to the theme of struggle and victory, and the other dealing with administrative and budgetary problems which affect the overall Armed Forces, without exception. /The suggestion or recommendation that the Executive Branch take another step which could strain even further the already difficult relations with the military was pondered, but almost immediately rejected by Dr Raul Alfonsin on his own initiative./

The chief executive's reaction was not surprising, because for some time now /a tendency has been observed on the part of government authorities to abridge the distance and chill--if those terms may be used--which they have been maintaining through the commands and the social corps of the Argentine military family. Obviously the words "distance" and "chill" are not sufficient to describe the scope of the situation which has been created, but, as admitted by a military figure who evidently has some influence in the ranks, today they can be a contributory factor in support of /the tendency/ to which we have referred.

Up to this point we have touched on only one aspect of the question, whose complexity and possible ramifications have several simultaneous paths, among them /pressure from the internal current of radicalism which is best characterized by its militant leftist leanings, with a view to bolstering its prospects for party leadership/, prospects

which are tied up with completely secure tactical alliances and strategic alliances with other political trends, whether Peronist, intransigent, socialist or baptized Christian Democratic. /This ideological and militant path is not far from the question of subversion/, a matter which, since it was predicted here more than a year ago, returns not as a dream, but as a real nightmare.

There is no need to go into great detail about a question which has been revitalized in the public sensibility after /openly known kidnappings and others which take place under a news blackout/ as has become the custom in our national life. Another factor which contributes--more intensely every day--to disturbing that sensibility is /the progressive insecurity with which Argentines go about their daily tasks./ In that sense, they know just how far /ordinary crimes are encouraged and serve the political interests of subversion in general, and today, attacks and other most abject crimes are reported in the newspapers in the midst of a growing alarm./ So true is this that at summer resorts police forces have had to deploy special vigilance systems which have not always given good results, since the magnitude of the problem has outrun the operating capability of the police. As an example we might mention that, as in former times, /it has become quite the fashion to attack beach resorts on the Atlantic coast from midafternoon on,/ when the sun has started to go down and only a few hardy bathers or sports fishermen remain, who end their day stripped of all their belongings, while their wives, daughters or sweethearts are manhandled by youths whose revolvers tremble in their insecure hands. /That is what happened in La Barranca de los Lobos, in La Paloma and in other places close to Mar del Plata,/ while similar events are occurring on other beaches /and are systematically covered up/ in accordance with the new norm which prevails for these matters and especially for /those which may have direct subversive connotations,/ exactly as we explained here some time ago.

8735

CSO: 3348/365

ARGENTINA

NATIONAL DEFENSE BILL TO DECOMPARTMENTALIZE ARMED FORCES

Buenos Aires EL ECONOMISTA in Spanish 22 Feb 85 p 6

[Article by Alberto San Miguel]

[Text] The draft National Defense Law is helping to clarify the polemics generated by sectors of the air force during 1984 concerning the specific powers of the Joint General Staff (EMC). According to the law, the government has made its final decision on a chief point in military matters and one that is essential for undertaking the restructuring and reshaping of the military system.

The new law states that the highest authority in military management is the Military Committee, which will consist of the minister of defense, the chief of the Joint General Staff, and the chiefs of staff of the Armed Forces. That committee will assist and advise the president in all matters pertaining to the conduct of war. Within the committee, the Joint General Staff will be the "working organization," and its chief will head the said committee's secretariat. Concerning the EMC specifically, article 11 of the draft law stipulates that it "will be subordinate to the minister of defense and will consist of personnel from the three services." Its chief will be "appointed by the National Executive Body [PEN] and will have the status of senior officer on active duty." That status symbolizes specifically the position of primacy in the military hierarchy, assigning it to the Joint General Staff. The mission, duties, and structure of that organization will be determined by the PEN.

Article 12 provides that the EMC will be responsible for "military strategic planning, which may include provision for the establishment of joint, specific, or combined operational strategic commands and territorial commands." The commanding officers for those commands will be appointed by the president of the nation and will be subordinate to the Ministry of Defense through the chief of the EMC for planning and training purposes and to the president of the nation in case of armed conflict.

Concerning the Armed Forces, article 14 stipulates that they will consist of the Argentine Army, the Argentine Navy, and the Argentine Air Force. Their makeup and size will be determined basically by joint military planning. And their organization and operation will be based on criteria for coordination and joint efficiency. Functions, activities, and services which by nature are not specific to a particular branch will be unified.

Concerning each of the Armed Forces components--land, naval, and air--article 15 states that they "will continue to be part of their respective administrative groups, each under the chief of staff of its particular service." In accordance with the results of joint military planning, those components or parts of them may be integrated under joint, specific, or combined operational strategic commands or territorial commands.

Concerning the EMC's functional relationship with the general staffs of the services, article 16 states that the latter will be subordinate to the minister of defense acting on behalf of the commander in chief of the Armed Forces and that they will have a "functional" relationship with the EMC for the purposes of joint military action.

With these provisions, the executive branch is effectively setting in motion the reform and modernization of the Armed Forces. In any contemporary military system, such forces are based on effective and specific joint action. It should be recalled that during the conflict in the South Atlantic, the prime shortcoming demonstrated by the Argentine Armed Forces was their inability to carry out joint operations, which in many cases were thwarted by interservice "rivalries" and by the tripartite management of the war under the military junta made up of the three commanders in chief with equal authority, power, and status.

The purpose now is to overcome the existing watertight compartmentalization of the three services. That compartmentalization constitutes a problem in most of the world's military systems, but in Argentina it has grown worse in recent years because each service has formulated its development and reequipment plans without first seeking compatibility with the other two. The reason is that beginning in 1976, each service was autonomous, and its commander in chief was a member of the military junta--the supreme organ of the state--and consequently not subordinate to any other authority.

With the [civilian] government having taken office, that situation is being reversed, since the president of the nation is taking over as commander in chief of the Armed Forces as prescribed by the National Constitution. But the legal and administrative structure in effect in 1984 was basically the same as before, with the basic norm being National Defense Law No 16,970 as sanctioned by President Ongania's administration and only partially amended by acts of the military junta of 1977. The result is that the new national defense law will be the indispensable supplement for specifically guiding the Armed Forces back into the institutional pattern in effect.

It should be pointed out that in 1985, the United States is beginning the implementation of a plan to restructure its Armed Forces, and coincidentally, the chief objective there is to emphasize and increase joint action by the various components of the Armed Forces--an essential requirement for effectiveness in modern warfare.

11798  
CSO: 3348/432

ARGENTINA

BRIEFS

SHIPBUILDING AID--The executive branch has decided to extend the deadlines for gradually eliminating the shipbuilding industry's exemption from the value-added tax (VAT), according to an announcement yesterday by the Secretariat for River and Ocean Transportation. That exemption had expired last 31 December. The explanation for the extension states that "it must be considered that while it is true that Argentina's shipbuilding industry has made sizable investments and improved its installed capacity over the past 10 years, responding in a reasonable manner and to the best of its ability to the government incentives provided for that industry, it is also true that in the present circumstances and for reasons that cannot be imputed to it, it is experiencing a critical situation that is thwarting full achievement of the objectives set forth in Law No 19,831, since the merchant marine shipbuilding plan begun in 1977 is not being fulfilled." As a consequence, it is noted that it is necessary to establish a new timetable for the gradual elimination of that benefit. The new timetable becomes effective as of 1 January and will remain in effect until 31 December 1989 according to the following schedule: 1985: 50 percent; 1986: 50 percent; 1987: 40 percent; 1988: 30 percent; and 1989: 30 percent. [Text] [Buenos Aires LA NACION in Spanish 16 Feb 85 p 12] 11798

CSO: 3348/432



CHILE

VICAR MSGR TAPIA ON HUMAN RIGHTS, POLITICAL PRESSURES

Santiago QUE PASA in Spanish 24-30 Jan 85 pp 16-18

[Interview with Monsignor Santiago Tapia Carvajal, head of the Vicariate of Solidarity, by Mariana Grunefeld in Santiago; date of interview not specified]

[Text] The Vicariate of Solidarity has seemed more quiet for some time now ... actually, since 23 November, when its new vicar, Msgr Santiago Tapia Carvajal, took office.

He shuns publicity; since he took office, he has held no press conferences and avoids "like the devil" statements on pending matters. Nor does he wish to look back, and there are issues that he also prefers to avoid: "I have only come to do pastoral work," he emphasized to us, "and I have no intention of becoming involved in controversy."

But the vicariate which he has been chosen to direct is controversial. His predecessor, the Spanish priest Ignacio Gutierrez, was accused by the government of attacking national security and following one of his visits to Europe, during which he met with Chilean exiles, he was prevented from returning to the country. But the archbishop of Santiago, Msgr Juan Francisco Fresno, wasted no time. After a month he decided to replace him. And to fill the vacancy he selected this 74-year-old man, recently "renovated" following two heart operations.

[Question] Weren't you afraid of filling this position?

[Answer] I felt, first of all, that I was receiving a very heavy burden. I realized that, because of my age, I would be weaker physically. But on the other hand, sharing the pastoral works of the church, and being an extension of the bishop's heart and arm, is an honor for anyone.

[Question] And why do you think the archbishop appointed you?

[Answer] Because of his good will toward me (laughs). We have always been very good friends. I have known him since the time he entered the seminary and he has been very kind to me.

(Short, very slender, wearing a sweater and jacket despite the summertime, Monsignor Tapia looks weak. He devotes only his mornings to the vicariate and there are some departments with which he is not yet familiar, such as the legal department. In the meantime, he trusts the vicariate's directors, who have years of experience. And in the afternoon ... he takes a quiet nap in the apartment that he shares with his unmarried sister. This rest is sacred to him, "my basic human right," he says jokingly.)

Nevertheless, despite his "in spite of's" he accepted the position because, as we were told by his old friend Fidel Araneda, a canon of the cathedral like himself: "Santiago is, above all, very loyal to his bishop." And he added more of his traits: "He is very priestly and never mixes in politics." And the vicar himself has endeavored to prove this. Alone and very relaxed in his apartment, he spoke comfortably. He even dropped his usual custom of folding his arms across his dark, buttoned jacket. But he also wanted to appear always very moderate and reiterated the theme of reconciliation. He undoubtedly believes in "utopias," as he admitted: "If we priests don't even believe in peace and reconciliation, then we might as well go home."

[Question] How would you assess your handling of the vicariate during these two months?

[Answer] I would summarize it with one expression: it is a ship.

[Question] And how is that ship sailing?

[Answer] It is sailing well, but it can sail better....

[Question] Is this ship encountering a lot of turbulence?

[Answer] No, because the vicariate is carrying out a program that is the same one that it has been developing throughout its lifetime. And if often only a somewhat controversial aspect is seen, it is perhaps, on the other hand, because some very important positive aspects, which are not obvious, are unknown.

[Question] And do you feel you are the captain of this ship?

[Answer] No, no. There are many departments here in the vicariate, such as the legal, promotional, assistance and educational departments ... and they are overseen by professionals, but in accordance with the standards of the church.

[Question] Does everything pass through your hands?

[Answer] No, because all this is already organized. The vicariate has various departments and all their activities are already underway. There are already set programs.

[Question] And how much time do you devote to the vicariate?

[Answer] I have devoted little time to it. Between Easter and New Year's, I was very tired and took some time off to rest. Now I am devoting 3 to 4 hours in the morning to the vicariate and then later, in the afternoon, I have to rest. I am also still in charge of INDISO [expansion unknown] and I still have responsibilities in the ecumenical area.

[Question] It seems that recently the vicariate has been very reserved. What is the reason?

[Answer] There is little that I can say about any possible outside opinion, but I think that the vicariate's publicity, more than anything, comes from the journal SOLIDARIDAD. On the other hand, the vicariate's activity has been developing the same as always.

[Question] Do you mean that martial law has not affected you?

[Answer] Not at the vicariate. Because there are laws regulating the allocation of assistance resources and that has remained the same.

[Question] Have there been more accusations?

[Answer] They have varied from week to week. But I don't have any statistics and it is very difficult to make comparisons. I am trying to become familiar with the vicariate's various departments, but as yet I have not been involved with the legal department.

[Question] One exception to this silence of the vicariate, however, was the request for a visiting minister. What was the basis for the request?

[Answer] It was due to a sworn statement that a former government official made before a notary here in Santiago, Chile. He gave an account of events which occurred and in which he jointly participated. All of this had stayed within the vicariate as a confidential matter, but this information appeared in a Venezuela newspaper in a personal interview in which all these events were reported. The vicariate was then no longer obliged to keep the secret. And since the events reported by this gentleman are very serious ... very serious, the Supreme Court was asked to appoint a visiting minister to study this information in the possession of the vicariate and to turn it over to the Supreme Court.

[Question] Why did the visiting minister refuse?

[Answer] The reason was not given.

[Question] What is the vicariate going to do in this regard?

[Answer] Apart from the foregoing ... what happened is that many of the cases listed in this official's report were already known, particularly through reports submitted by family members. Therefore, now there is a report that the court was already aware of all this, thus family members may use that same information to begin their own respective reports.

[Question] It is said that you have put a seal of prudence on the vicariate.

[Answer] I hope so! Because prudence is a virtue. I would like to have it myself. I believe that prudence is a virtue on the same level as the virtue of justice, thus prudence doesn't mean that there is no obligation to defend justice, with all its consequences.

[Question] When you took office, you said: "I assume this office with much humility; I am not going to be combative." Do you still maintain that position today?

[Answer] Oh yes, yes. More than ever, because as a priest one has to follow the example of Christ and his teachings. We summarize it in Christ: "He is our peace." He reconciles us with God through his sacrifice and at the same time provides us with reconciliation among all men. And in my heart I want to contribute to reconciliation among us Chileans. And above all because the pope, in his document on reconciliation, which he wrote in the latter part of last year, describes it as an urgent need in relation to all these terrible circumstances in which humanity lives.

[Question] Is this attitude more effective?

[Answer] I believe that denunciation, especially concerning the violation of human rights, is necessary. At the same time, it is necessary to support entities administering justice so that they can conduct investigations and impose sanctions and educate the public to the idea that the right to life is a sacred right. But at the same time, we will derive nothing if we are often divided simply for political reasons, which arouse us Chileans much more than an earthquake. Thus I will not be combative, but I hope for and act with justice, but at the same time with a spirit of solidarity, and I hope that the vicariate might mean a bridge among ourselves.

[Question] But the vicariate has a controversial image. What role do you think it has played in recent years?

[Answer] I believe that during these years the vicariate has been a body for all those who have felt that their basic rights have been violated-- a body of support and assistance which has been able to be channeled through the same channels provided by the constitution. Without a doubt, the vicariate has played a major role during these years.

[Question] It could be affirmed that due to the very nature of the vicariate's mission, the government has viewed it with suspicion.

[Answer] I don't dare to judge how the government views it, because I have no ties with government agencies.

[Question] Do you believe that the vicariate has been a key factor in relations between church and state?

[Answer] Undoubtedly, with regard to emergency laws, in which case agencies often exceed, perhaps independently of the will of those in government, their powers and when there is also this other church entity, which has been like a lifebuoy in many situations, this perhaps leads to a conflict between what the government considers proper action through those agencies and what the church considers contrary to human rights.

[Question] Then conflict is inevitable?

[Answer] But I believe that, acting with prudence, we must avoid all conflict, because conflict leads to nothing. An effort must be made to seek reconciliation, where we all have to yield in our views a little and join together on basic values with joint tasks and goals.

[Question] But in the opinion of many people, the vicariate has contributed to the deterioration of church-state relations....

[Answer] I don't think so. It is a fact that we are going through an unusual period in our democratic life, an interruption, but in spite of this there has been an attempt to not break off relations.

[Question] Monsignor, what is the dividing line between the defense of human rights and political pressure?

[Answer] I believe that in the work of the church the defense of human rights has to be based on principles of natural law and those provided by the church, but independently of political action. Political action must not exert pressure on a church entity. No. We have to base our views on the teachings ...

[Question] But that is precisely what the vicariate is accused of.

[Answer] But I can tell you that during the time that I have been working in the vicariate, I have not been aware of any political influence on its activities.

[Question] But the vicariate's contributors, such as Manuel Almeyda, are accused of being people who identify very much with certain political positions...

[Answer] I am not aware that there has been any contribution by such people in the vicariate.

[Question] Let's suppose you meet someone interested in the defense of human rights, who was very compromised politically and who offers to help in the vicariate....

[Answer] Above all, among those officials who are employed, I ask for professional efficiency. And secondly, that there be respect for the criteria governing the vicariate, which are humanistic and christian criteria, and that if there is any political affiliation or position, that it be kept private, and that one's job will not be based on political motives. There has to be independence in this. And on the other hand, the christian attributes of

the vicariate must also be part of their professional work, not as an explicit profession of faith, but with those basic christian values.

[Question] How many catholics work in the vicariate?

[Answer] I am not inquisitive about that. I try to influence ..., but particularly in the professional area, the catholic action of we christians has to be prudent action. At the same time, we must exhibit, not so much a christian facade, but especially all that is fundamental: a spirit of mutual cooperation, help and always awakening faith and trust in God. All this is more important than a label.

[Question] Government circles are critical that this is not defended so adamantly if it happens with other groups. For example, in the case of victims of terrorist attacks....

[Answer] But this is because attention is always given to those who come to the vicariate. The vicariate does not go out to offer its services. It is family members who come to it and with whom the veracity of the facts are studied.

[Question] Or that no member supportive of the government has come to the vicariate.

[Answer] I am not familiar with the statistics.

[Question] Monsignor, do you feel that the people believe or do not believe in the vicariate?

[Answer] First of all, the vicariate does not provide the assistance resources. Only the person reporting, making a written statement, is helped, but the one who assumes responsibility is the person who made the report, and there is a prior aspect: determining whether it is true or not and submitting the case to the courts for them to investigate.

[Question] But many people actually question the vicariate's credibility and its judgment. Why?

[Answer] Out of ignorance.

[Question] The vicariate has published items through its journal SOLIDARIDAD, in which matters such as universities, the mining code, layoffs ... are discussed. What does this have to do with human rights?

[Answer] Human rights not only concern the defense of life. John XXIII provided the key in his last encyclical: "Peace on Earth." In order to have peace, we must put in order all aspects related to human life: the right to work, the right to a fair wage, to participation, to dignity....

[Question] If a priest asks for a return to democracy, is he meddling in politics?

[Answer] Aspiring to a legal order in which these three aspects can be taken into account: government by, for and of the people, I believe is among the systems which Pope Pius XII himself considered most appropriate to the time in which humanity is living. Participation on the same levels is most consistent with man's nature.

[Question] It isn't meddling in politics?

[Answer] No, they are universal issues which transcend politics. Development, participation and, as a result, peace.

[Question] You, who have been concerned with ecumenism, aren't you afraid of a schism within the church?

[Answer] No, insofar as there is awareness of the teachings of the church, which come first from the pope and then from the bishops. When one is guided by that and not by what he hears, because here there is no one more blind than someone who will not see and no one more deaf than someone who will not hear. People often judge by appearances and we have a very clear case. In some churches, especially in upper-class districts, when the priest starts to read the archbishop's letter, many people hiss and others leave. What is their attitude toward being aware of the bishop's words?

[Question] Finally, you who were a follower of Father Hurtado, do you share the view that "action is harmful if it breaks with prayer"?

[Answer] Yes! There is a reason for the saying: God helps those who help themselves.

11915

CSO: 3348/344

CUBA

## CULTIVATION, PROCESSING AT CITRUS COMPLEX IN MATANZAS

Havana CUBA INTERNACIONAL in Spanish Jan 85 pp 20-27

[Article by Ciro Bianchi Ross]

[Excerpts] It is the largest citrus growing program in the country and perhaps in the world and, both because of its yield and advanced technology as well as the land where it is located: rough, rocky, unfit for other crops and, according to tradition, also unsuitable for citrus trees, it is considered a feat of Cuban agriculture.

The Bay of Pigs Victory Enterprise is located in the municipality of Jaguey Grande in Matanzas Province, scarcely 60 kilometers from the Bay of Pigs, the scene of the defeat of the mercenary invasion of 1961. There man challenged nature and won the battle. He put the idle land to work and with the first crops, the transformation of the countryside was launched.

Today, the citrus complex covers 40,380 hectares and its officials have proposed to add another 4,000 a year until the programmed figure of 80,000 is reached. By that time, an investment of 1 billion pesos will have been made.

This is the agricultural aspect. But the Jaguey Grande citrus complex also has its industrial side. Four canneries have been built to process the fruit heading for market and the Bay of Pigs Heroes Citrus Combine has gone into operation, producing juices, jams and jellies and forage.

On a day not long ago in December 1977, the Bay of Pigs Victory Citrus Enterprise celebrated its first large-scale production feat. The harvest that year was 50,000 tons of fruit.

That success would be nothing compared with what would be achieved in a few years, people said at the time.

In 1980, 150,000 tons were harvested.

In 1983, the harvest was 240,000 tons, five times the 1977 figure!



## Tradition Foiled

A prestigious European expert, whose books on citrus fruits are an indispensable reference in many countries, was somewhat disconcerted when he visited Jaguey Grande. "I never imagined that anything could be done here," he exclaimed. "Now I shall have to change some of my ideas."

The distinguished agronomist was right: No similar experiments existed on which to base the work. Nowhere in the world, even in countries with a long tradition with such crops, had anything similar been done or attempted. Growing citrus crops on rocky land seemed insane.

That is why the word "feat" is used in connection with the program.

When, in the 1960's, the already defunct National Institute for Agrarian Reform (INRA) began a policy of agricultural diversification, it found in that municipality, north of Cienaga de Zapata, vast areas of virtually unproductive land, mainly made up of mountains and jungle. The land was rocky, but there was one advantage: It was a low area and since the water runs from north to south toward Cienaga, there was a fertile subterranean stratum. Another positive point: The soil was rich in organic materials.

It became necessary to decide to what use the land would be put. Since the rocky nature of the soil immediately ruled out sugar cane or other seasonal crops requiring a great deal of labor, the possibility of growing citrus fruits was studied. Although on a smaller scale, small farmers in the area obtained good results with lemons and oranges. This was the initial point of reference.

Those individual and isolated experiences were taken into account, but the plan was more ambitious. The unproductive land would be put to work and the project included parceling, roads, electrification, schools, new towns and the installation of plants and a processing industry, we were told by Evelio Mesa, deputy director of economics of the Bay of Pigs Victory Enterprise.

An investment on such a scale, Mesa said, required solid foundations and before undertaking it, studies were made of the soil, water in the subsoil and the technology that would be used. These analyses began in 1967 and took 5 years to yield definitive results. Planting on extensive areas did not begin until 1972.

Another problem had to be solved: The plan would be located in a sparsely populated area and it would be necessary to have a labor force.

## Important Force

"We brought to the plan 90 percent of the labor force directly involved in harvesting. We constitute a substantial force," said Angel Santiesteban, director of the municipal delegation of the Ministry of Education in Jaguey Grande.

In the 59 rural schools operating, 28,600 boys and girls are enrolled. These students, who follow the study-work program (half day of class and the other half for productive tasks), do a significant portion of the work related to citrus crops.

At the Bay of Pigs Victory Enterprise, the plowing, clearing and application of pesticides are mechanized. The harvesting itself cannot be mechanized. No country has done so yet. The students basically handle this aspect of work and they also take care of the irrigation systems. They provide the necessary work force.

Deputy director Evelio Mesa clarifies: "The boys and girls work 3 hours a day and we figure that three of them do the work of one plan worker. We now have 4,100 workers. If the student labor force did not exist, we would have to have about 8,000 more -- that is, 12,000 farm workers.

This information makes it possible for one to appreciate the heap of the students in the harvest. There is one other detail of interest. In the last season, the enterprise allocated several thousand pesos to the schools in the area as an economic incentive.

How is that money distributed? Pedro B. Sotolongo and Jose Fernandez, deputy director and administrator respectively of a rural school in Jaguey, noted that 27 percent of the sum belongs to the teaching center, 3 percent to the teachers and the remaining 70 percent to the students, who prefer to use it on parties, excursions to the Varadero beach or some other recreational activity.

Jaguey Grande is one of the first municipalities where the work-study approach was used as a means of integrating school into life.

"Today our results are satisfactory," Santiesteban says. "Students in the different types of education in the municipality are incorporated into farm work to the extent of 92.5 percent and the plan is 99.7 percent fulfilled.

"Regarding academic figures, over 95 percent of the pupils stay in school and it is hoped that 93 percent of the students will pass."

"With Dynamite"

The Bay of Pigs Victory Enterprise uses techniques absolutely unheard of or little used in agriculture.

"Mountainous areas and thickets are cleared for levelling by bulldozers of up to 320 hp," says engineer Osvaldo Oliva, head of agricultural technology in one of the districts in the enterprise. "They are then weeded and plowed and stakes are used to mark out the exact spots where the plants will be placed. But before planting, more work has to be done. In the places marked by stakes, a compressor is used to open up holes for dynamite to blast out

the rock. The field is then marked again with stakes, ready for the transplanting of stock from the nursery."

Bulldozers, compressors and dynamite perhaps give a precise idea of how complex the task of planting citrus fruit in Jaguey Grande is.

Some 60 percent of the areas belonging to the enterprise is used for oranges, 25 percent for grapefruit, 10 percent for lemons and the rest for other species, such as tangarines, limes, and so on.

Since the harvests of these different crops take place in different stages, there is work throughout the year, both in agriculture and in the canneries and processing industry.

Like any other crop, citrus fruits require the proper soil, good care and irrigation, for they consume large volumes of water.

The right conditions do not exist in Jaguey for the construction of dams or reservoirs. Consequently, the water accumulating in the large underground basins in the region feed the plants.

"There is intensive use of that water," says Evelio Mesa, "but it is not indiscriminate because we have established the permissible quantity that can be taken out a year."

Irrigation is by sprinkler and on every lot, there are four irrigation systems covering some 1,300 hectares each, so that any problem or interruption will not affect the entire grove.

"In some areas, we have introduced a new system of irrigation that saves on water and labor. In this way, we do not waste water, which does happen with other systems because every plant receives just what it needs. In addition, the system is adapted to the specific conditions of this rocky ground. We hope to introduce it gradually on all plantations," explains Osvaldo Sotolongo, technical inspector of the enterprise's hydraulic facilities.

So far this year, every hectare has produced 8 tons of fruit. The enterprise invests 70 cents to produce a peso.

A total of 120 of the plan workers are university graduates and over 200 have completed technical studies. The Cesar Escalante Technological Institute is on enterprise premises and trains the country's citrus technicians.

"We train our own technicians, we create our own agrotechnology suited to the specific conditions we face, and we have created our own cadres. All of this was done in a period of under 15 years," says Mesa.

"The plan is growing rapidly, but it is young," he adds. "A citrus tree bears its first fruit 5 years after planting. From then on, production

increases from harvest to harvest, stabilizing somewhere between 12 and 15 years. The first trees we planted have not yet reached that point. This gives an idea of how young the plan is."

The Bay of Pigs Victory Enterprise has an experimental station whose task it is to supervise the quality of the species and do the necessary research for the introduction of new varieties in the crops.

"We are doing studies of immediate and long-term application," says Rodrigo Rodriguez, one of the founders of the station, "and there is a close tie between research and production."

If the fruit harvested meets the quality requirements established, then it goes to one of the four packers where, after washing and another more rigorous selection that also has to do with appearance, the fruit is given a coating of parafin and it is put into containers to be shipped to the market.

Fruit that does not pass this final test has another destination: the Bay of Pigs Heroes Citrus Combine, where various derivatives are processed and where the possibilities of other outlets are studied in order to provide the consumer with a new option as tasty and nutritious as the fruit itself.

Juice, Jams and Jellies, Dehydrated Forrage

The Bay of Pigs Heroes Citrus Combine in Jaguey Grande went into production a little over a year ago. The total investment was 35 million pesos.

It is now operating at 70 percent of its capacity and it is hoped that by 1985, when all its potential is met, it will process 40 tons of oranges, another 40 of grapefruit, 16 tons of tangarines and 25 tons of lemons will be processed an hour, based on the harvest period of the different fruits. There will be two 10-hour shifts each day and 4 hours will be spent on cleaning.

This means that when operating at full capacity, the Bay of Pigs Heroes Combine will process 173,520 tons of citrus fruit and will obtain 53,037 tons of products in 255 days.

The plant is already turning out simple juices in bottles and cans, juice concentrate, pasturized and frozen juices, orange marmelade, essential oils, dehydrated skins to obtain pectin and dehydrated forrage for livestock feed.

Engineer Rene Madan, director of the industry, said that in addition, tamarind nectar is made, along with guayaba and orange drinks that have been well-accepted by the consumer. There are also good prospects for the manufacture of refreshments of lemon and mango, although some of these are not derived from citrus fruits, for it is one of the combine's objectives to expand production based on formulas invented by its own technologists.

#### PHOTO CAPTIONS

1. p 22. [top] It is not easy in Jaguey to clear the land for the crops.  
[bottom] The compressor, a piece of equipment not used in farming, is indispensable here.
2. p 24. [bottom] Once the ground is ready, the stock for transplanting is brought from the nurseries.
3. p 25. From the processing industry, the fruit emerges transformed into juice, jams, livestock feed.
4. p 26. Bottling.
5. p 27. Quality control is fundamental in the process.

11,464

CSO: 3248/262

11 April 1985

## GRENADA

## STATE-OWNED ESTATES TO BE LEASED AS MODEL FARMS

Kingston THE DAILY GLEANER in English 26 Feb 85 p 7

[Text]

**ST. GEORGE'S Grenada, Feb. 25, CANA:**

Small farmers will benefit from changes planned for state-owned food-producing estates, according to Agriculture Minister George Brizan.

He told reporters the two-month-old government planned to turn the estates into model farms and lease them.

The estates were acquired by the rightwing Eric Gairy government and the leftist People's Revolutionary Government (PRG) which toppled it in a 1979 coup.

They are run by a Grenada Farms Corporation (GFC) set up by the PRG to ease unemployment among youths in rural areas.

Brizan said the corporation had been losing money and the government would not continue operating the estates.

Brizan said the planned model farms would be leased on a long-term basis to persons who have been working on the state lands, small landless farmers living in the surrounding areas, and grad-

uates from the government-operated farm school who have shown an interest in farm management.

Each payment would constitute a buying into the equity of the farms, he said.

"It might well be that at the end of the lease period or mid-way in the lease period, depending on what we agree upon, that the property would be conveyed to the model farm operators who would be Grenadians," Brizan added.

"The experiments of having government farms have failed," Brizan said.

He disclosed that between 1981 and 1983 the state-run estates recorded losses in the region of 3.2 million dollars (one EC dollar — 37 cents US).

Figures were not available for last year, he said, but the losses could be in the vicinity of just over one million dollars.

The Barbados-based Caribbean Development Bank (CDB) had made a loan of 2.7 million US dollars available to the corporation. According to Brizan, the corporation has spent about one million EC dollars of the loan.

CSQ: 3298/449

JAMAICA

JLP, PLP CONFRONTATION DEPLORED; LEADERS ASKED TO DESIST

### Catholic Priest's Appeal

Kingston THE DAILY GLEANER in English 12 Feb 85 p 1

[Text]

Roman Catholic priest Father Richard Ho Lung said yesterday that the attitudes of Prime Minister Edward Seaga and PNP leader Michael Manley were responsible for the disunity which existed in the society.

He called on both leaders to have dialogue in an attempt to unite the people.

The Rev. Fr. Ho Lung said that the cause of the divisiveness in the society was rooted in the attitudes of both political leaders.

"They are selfish people, they are egotists who are determined that their policies are right and the other persons' policies are wrong. I sometimes ask how under heavens can one nation, mostly of poor people, of one heritage, one music, one dance; how can all of us have two rulers, who experience the same country, with two completely different points of view and two different goals?

Speaking at an assembly of students at Mico Teachers College, Rev. Fr. Ho Lung questioned how two leaders could be so different when they were dealing with the same reality.

He said that for the country to unite and develop, both leaders would have to talk to each other.

"They must talk to each other whether they like it or not."

He said that he would continue to speak out about the divisive ways

of both leaders until both men came together and discussed issues affecting the country.

"They must talk to each other about the issues of the country. They must declare a national plan that no future Prime Minister, no matter who he is, can veer from."

Earlier, Father Ho Lung spoke about the disparity and injustices in the society. He called on the students to "pour out your lives for your country." There was need for self-sacrifice on the part of everyone if the nation was to develop, he said.

## Senator's Remarks

Kingston THE DAILY GLEANER in English 12 Feb 85 p 12

[Text]

"We are again seeing the ugly signs of a bloody confrontation and I must warn all concerned that if it is not now nipped in the bud, we could this round, deal an irreparable blow to the recovery of which we speak."

The warning came from Independent Senator Charles Sinclair as he addressed the launching ceremony of the Jamaica Association of Journalists' fund-raising drive at Dolphin Grill Restaurant, recently.

Speaking in wake of the recent gas price demonstration, Senator Sinclair said that while he believed in the democratic right to protest, he was fearful that if this was conducted in an irresponsible manner — as was the case during the

recent protests — it could cause damage and setback the recovery process immensely.

"Grave damage had been done by our own hands and we will for a long time be paying a high price. The spate of cancellations arising from adverse publicity on Jamaica since January 15 is already weakening the bottomline of hotels, shops, ground transportation business, restaurants, the farming community and resulting in unemployment at varying levels," Senator Sinclair stated.

Not ignoring the effects the increasing cost of living was having on everyone and particularly the poor, the Senator said: "Those demonstrations which open the door to lawlessness are those that have my

strongest condemnation".

On the other hand, however, he continued; "I cannot let this opportunity pass without voicing a word of disappointment at the manner in which the latest round of increase in the price of petroleum products was done.

"While the Prime Minister's explanation which followed closely on the heels of the demonstration, has the sympathy of many, I firmly believe that the people's anger could have been cushioned if some of what was said later had been said before."

In closing, Senator Sinclair, called for a return to order and the task of nation building.

## JLP's Stand on Elections

Kingston THE DAILY GLEANER in English 13 Feb 85 p 1

[Text]

The government will not call early general elections unless it is satisfied it is dealing with a situation in which "massive levels of confidence have been lost in the government, and where the feelings of the people have been charted towards an alternative."

This was stated by the Chairman of the Jamaica Labour Party, Mr. Bruce Golding as he addressed the Kiwanis Club of Kingston at the Wyndham Hotel on the topic "Will Jamaica Stand to benefit from General Elections Now?" He was speaking against the background of the call by the People's National Party for early general elections.

Mr. Golding, the Minister of Construction, said the Government would not allow the PNP to dictate when an election was called. An election would be called if there was a clear alternative before the people and "if we feel that our mandate is insecure and will not allow us to command the level of authority and responsiveness out there that we need from the people."

This situation did not exist at present and until then the government would continue to defend its economic and social policies. He noted that the Government had lost some support but was optimistic they could "build back that support."



He said there were "cheap alternatives," such as the printing of money, which were open to any government to solve the country's economic problems. But his Government did not regard these as the ways to develop the country."

"If this is the role we are to perform to remain the government then we are prepared to give up the role and let someone else do the job.

"We say to the PNP: state your alternative, we say put forward the

alternative strategy that would give the people a choice and that would make the question of early elections something which can be considered."

The PNP should state in "clear and unequivocal terms" their plans to deal with the economic problems of the country.

"Let them offer the people not only an opportunity for change, but a clear prescription of that change. Only then can their call for elections now, have any relevance whatsoever," Mr. Golding said.

### PNP Appeal to Church

Kingston THE DAILY GLEANER in English 15 Feb 85 pp 1, 3

[Text] The times demand that the Church speaks for unity, justice and truth and as such, it is being called upon by the People's National Party to speak out on matters that affect the body politic.

So said Mr P.J. Patterson, Chairman of the Party as he addressed members of the clergy in a meeting at the Pegasus Hotel yesterday. He said he was not asking the Church to "take a party stand, but to be national, condemning no matter who was offended." The Church, he said, must be a beacon for unity and yet a lubricant for change.

"If the Church is afraid to speak out on the issues of the day in accordance with principle, then by its silence, it is condoning wrong and perpetuating evil. That cannot be the mission of the Church," Mr Patterson said.

In 1979 and 1980, he said, the Church spoke out as it deemed fit and the party believed that it had the same duty, obligation and right to speak out on matters that affected the body politic. He said he felt that at this time, having regard to "the corrupt method by which the Government secured power" and the suffering being experienced by the poor, the Church, in the discharging of its spiritual obligation, had a duty to protect those who looked to it for guidance and example.

Questioned by the Rev Cawley Bolt of the Baptist Church on the possible reluctance of the Jamaica Council of Churches to respond to the party's (PNP) call to speak out because it was referred to as the party's religious arm, Mr Patterson said they were not asking the Church to take a political stand, but a national position. The Church was being asked to condemn what was wrong and to uphold what was right, no matter who was offended. He said the Church had a duty to do its part.

The issue of the infiltration of the society by the Fundamentalist American churches was raised by the Rev Father Gerald McLaughlin, who said that if

there was an election fever, then the Right Wing in America was going to act as they felt they had a right to do in Jamaica. Mr Patterson said it was in the interest of the clergy in Jamaica to ensure that there was no intrusion in their ranks of persons who had nothing to do with religion but were purely political.

The Chairman outlined the party's position on its call for election and the moral issues raised in the 1983 elections. He also spoke on the call for dialogue between the two leading political parties, pointing out that efforts had been made to have discussions on the drug problem and violence. Mr Patterson said that in September last year the party leader had emphasised the need for national co-operation, identifying education and health as two areas on which the people should strive for consensus. This, he said, was in view of their importance and in order to avoid violent shifts of policy whenever a change of government occurred. The invitation had been received "with icy silence," he said.

Mr Patterson said the party repudiated the notion that the PNP should enter into any process of dialogue based on the prior acceptance that the Seaga administration was entitled to continue "its seizure of power until 1989." The deeply felt cry for dialogue between the two political parties was partly the reflection of the need to restore credibility in government and to secure leadership which could truly inspire by example, he said. The PNP saw the need for national unity, not just in the light of a short-term response, but as essential to a long-term solution.

According to Mr Patterson, the pressure to achieve national unity must be directed towards the Jamaica Labour Party, having regard to the "unequivocal rejection" by the Seaga Administration of approaches that would contribute towards that unity. The PNP, he said, stood ready for national discussion provided the question of early general elections had been meaningfully resolved.

Responding to Mr Bruce Golding's speech this week about no early elections, Mr Patterson said the party maintained that massive levels of confidence had been lost in the Government, and the polls clearly established this. He questioned whether the JLP was advocating that the country be brought to a standstill or suggesting more gas price demonstrations. He said that now the electoral system was in place, the party would expect the Church to repeat and press for early general elections.

Kingston THE DAILY GLEANER in English 18 Feb 85 p 8

[Article by Carl Stone]

[Text]

The JLP's Mr. Bruce Golding has had some interesting things to say about elections.

According to him, where voters display a massive loss of confidence in an elected government and indicate support for a clear policy alternative, those two factors would be good ground for the country to go back to the polls to settle the issues in the ballot box.

Mr. Golding has been at pains to point out that he was stating a set of conditions under which a country would benefit from having fresh elections and not predicting that elections would be called here if these conditions were to materialise.

### **Preconditions**

I can only interpret his clarification to mean that he is speaking for himself and not for the JLP because if his party (and especially his party leader) agreed with the view he expressed, then it could be confidently predicted that new elections would be held here if and when his party was convinced that these two preconditions existed.

I must commend Mr. Golding for the forthright and brave statement of a point of view that must certainly be causing him some problems inside his party as many of the citizens who support the call for elections now share Mr. Golding's point of view in addition to feeling quite strongly that his preconditions already exist or are close to being fully realised already.

Of course, the safety catch in Mr. Golding's pronouncement lies in the second condition since to date the PNP has not really offered any comprehensive policy alternative to the JLP.

What Mr. Golding failed to address is who decides that these conditions for elections actually exist.

In recent years in St. Lucia and Dominica unpopular governments who were adamant in hanging on to power were forced to go to the polls when the political consensus among the majority of citizens erupted in massive protests that forced the S.L.P. in St. Lucia and the D.L.P. in Dominica to go back to the ballot box. Needless to say they lost massively to the opposition parties and Mr. John Compton and Miss Charles came to power with huge majorities.

In these protests, trade unions, civil servants, the church, school children, housewives, the unemployed and sundry others brought down these governments by simply shutting down the country. That is the only way governments usually become convinced that these conditions for fresh elections exist.

As I have said before, if the PNP want elections that party is going to have to lead a similar shut-down of the country to force the JLP into calling those elections.

Of course, our politics is considerably more given to violence and turmoil than either of these two small Eastern Caribbean island states. The process of forcing the JLP out could, therefore, be a very bloody affair. The JLP leaders could save the country a lot of bloodletting by going back to the ballot box if and when it becomes clear that the people support the PNP's election stand.

### **Public opinion**

My own guess is that public opinion has shifted against the JLP since the gas price disturbances, the rapid disappearance of the Jamaican dollar and the continued collapse of the bauxite industry. Indeed, the intense economic heat of January and February 1985 has most likely scorched and burnt very badly whatever was left of public confidence in Mr. Seaga's government and the JLP leadership of the country, outside the minority JLP loyal voters.

When we do our next public opinion polls we are going to follow Mr. Golding's bold lead and ask voters if they agree with his views and also whether they feel these two conditions he spoke about already exist in the country.

My own view is that the first condition is sufficient grounds on which a people have a right to demand that a government go back to the ballot box and renew its mandate.

### **Critical level**

That was what happened in 1980 and that's what will happen in the near future if the PNP have the guts to carry the fight to the JLP.

The massive price increase that are going to follow the diminishing value of the dollar and the overall economic hardships that will be a consequence of the declining bauxite industry provide a climate in which the JLP must expect that public confidence in its leadership will decline.

The polls will provide some guide as to whether the loss of voters' confidence in the JLP has dropped below the critical level defined by Mr. Golding.

I hope, however, that the JLP is as mature as the PNP was in 1980 in not trying to hang on to power when evidently the people are fed up with them.

Many people fear that rather than concede to PNP pressures the JLP leadership is likely to hang on in desperation and thereby set the stage for a long violent contestation for power in the streets that will take us back to the sort of anarchic political violence that occurred in the seventies.

I hope they are wrong.

### Call for Bipartisanship

Kingston THE DAILY GLEANER in English 21 Feb 85 p 8

#### [Editorial]

#### [Text]

The Prime Minister has called for even greater sacrifice from the nation in the face of signals that further reversals may come in the crucial bauxite industry. That was the central import of his sombre address to Parliament and the nation Tuesday evening. Mr. Seaga minced no words in describing "the monstrous blow to the future implicit in the recently announced closure of Alcoa." And he proceeded to set out what he described as "the magnitude of this disaster" in the revenue losses that will ensue.

The upshot is continued austerity and social pain; but we are still to hear the specifics of the sacrifice that will be inherent in new measures to cope with the situation. In this connection it is heartening that the Prime Minister has promised a programme of public statements and discussions to facilitate public understanding

of the extent of the dilemma. But there is **still one** disturbing aspect of the approach to the present national crisis.

In recent times calls for national unity have come from various quarters. The calls seem based on a perception that the leaders of the two major political parties are at daggers drawn and indeed dislike each other. Neither has said anything to dispel this view; on the contrary they seem to feel that there is no point in sitting face to face because the ideological divide is too great or the philosophical approach to policy-making too divergent. Indeed what earlier last year seemed to be the mending of bipartisan fences — certainly in the area of potential political violence — now appears to be abandoned.

Nothing in the Prime Minister's statement to Parliament hints at *rapprochement*. The

tired recourse to the mistakes of the past remains intact. The inter-party cold war is kept alive. And outside the Parliament the PNP leadership takes to the street, as is their democratic right, with more than a hint of fomenting popular unrest if their demands are not met. It is true that they have indicated some willingness to talk, but the offer is negated by the improbable pre-condition of early elections.

Parliament, where all that beset us might usefully be debated and determined, appears to have lost national focus. This was perhaps inevitable in a one-party House. It cannot be said that the device to involve public participation in the absence of an Opposition has worked effectively. In short the sense of crisis gets no relief from meaningful debate. Not in Parliament (except sporadically from the Senate)

where it ought to be. We are reduced to dread forebodings, punctuated by tribal posturing and a hankering after power.

There is a deep national crisis that is eroding the confidence of the people in the ability of the Administration to deal with the economic and financial pressures which beset the country. Yet the leaders of our two major political parties seem to lack the statesmanship necessary to bring them together in a genuine attempt to pull the country back from the abyss into which it is fast slipping.

We believe that the time has come for them to bury the hatchet and to sit down together in a search for a national approach that can restore a national will that can lead to stability. We support the exhortations to face the challenge; but we do not think the nation can do it divided. We must be one people.

#### Broderick's Forum Suggestion

Kingston THE SUNDAY GLEANER in English 24 Feb 85 pp 1, 2

[Text]

**D**R. PERCIVAL BRODERICK, the Minister of Agriculture, has suggested that since the agenda for discussion between the Government and the PNP remains fixed, the Governor-General should be called on to create a forum for dialogue "to find na-

tional will and national solutions" between the Government and the PNP.

Speaking Friday night at the 11th Annual Awards Banquet of Island Life Insurance Company at the Wyndham Hotel, New Kingston, Dr. Broderick said:

"Since we have had a multiplicity of mechanisms attempting to get this dialogue... I am suggesting that since the agenda on the two sides remains fixed and appears intractable then we have to look to the Governor-General and ask him to convene a forum

for discussion so that an agenda might emerge."

(The Most Hon. Sir Florizel Glasspole, the Governor-General, is a former People's National Party Minister of Education).

Dr. Broderick said he was suggesting to the parties (the ruling Jamaica Labour Party and the PNP) that there should be an evaluation of their positions to see if they were in fact intractable and whether they could "embrace" on some common ground. It should be recognised, he said, that there would be divergence of views but that no party had an agenda to "mash up the nation".

Putting forward the view that there was no political solution to Jamaica's current problems and that it could only be solved by means of a national effort, Dr. Broderick said:

"What we face now is beyond party politics because it has assumed national proportions and must therefore demand the application of a national will to find the national solution."

In a speech in which he emphasised the need for national unity while emphasising the importance of agriculture in the nation's economy Dr. Broderick said:

"I feel that there is a need for dialogue and negotiation within our internal political system. In negotiation and dialogue lies the path, I respectfully submit, to our salvation as a nation. And so it is of interest that I note that on the one hand we have the major opposition party supporting a position that they will not talk except the argument is about elections. We have our (Government) side of the story which says we will not talk except you have plans. Well that is what I call a 'Mexican stand-off', because indeed we know there are no plans (for election now), so there are going to be no talks and on the other hand we have to accept the fact that the Government exercises a constitutional right for elections. so there will be no argument about elections."

Dr. Broderick said he wished to refer to the situation because "one has to understand the importance. This serious point is, there has to be dialogue. There must be dialogue."

Dr. Broderick said: "It is important for us to understand that a country with two million people, if

you take a look at what has been given within any political system in terms of a percentage mandate, you have to wonder how this country could have survived so long, because over the years we have always had no side having possibly no more than about 58% of the popular votes pulling against the rest, and if we could have done so well with that slight margin, consider how well we could do in a country where we could have a system, and where we could have the basis where the entire country could be pulling in one direction after recognising that there are national polls and matters which ought to be put outside of the political arena."

"If this country remains in a position of instability, whether you are the top five agents, or the top ten agents, the instability will affect everybody. Nobody is going to be immune or think if they have options that the options can be to stay and provide within a system where there is total instability and chaos. We need to take a responsible look and assist the system, because it can in fact work. But it needs the assistance of persons who are interested, who find that they have no option, that they have to remain in this country, that they have to contribute to its development, that there is no political party which goes in there with an agenda to destroy the nation, but (there) will always be a divergence of views, yet however, we also try our best to see if we can find areas in which we can identify as national priorities, what can be bad in an attempt to find that?"

"In a country as tenuously put together, where the economy is so fragile, we do need the totality of all our productive sources to converge on the problems, how we can earn foreign exchange, how we can be able to generate income so that we can be able to pay our way through the worst. I put it to all of us that we need indeed to take another look and another evaluation of our positions to see whether we are intractable, or indeed whether we can embrace on some common grounds, without seeming to be naive with the political system, at least to have the agenda that we can have dialogue and talk as all sisters and brothers."

JAMAICA

SEAGA ASSESSES ECONOMY; NEW DEVELOPMENTS REPORTED

Text of Address to Parliament

Kingston THE DAILY GLEANER in English 21 Feb 85 pp 2, 22

[Text]

Following is the text of the statement made in Parliament on Tuesday evening by the Prime Minister, the Rt. Hon. Edward Seaga, on the state of the economy.

I know that events of the past 30 days have raised deep anxiety in the minds of many persons. The demonstrations in January, the announced closures of Alcoa and the continuing decline of the value of the Jamaican dollar have all combined to create a genuine concern for the future.

Many people are seriously asking where we are going, some forgetting, or ignoring, where we are coming from.

I am devoting much time this week to speak on various levels so that these issues can be explored. I hope that by the end of this week many will be much better informed, better able to see more clearly how the plans of Government relate to the problems they are experiencing and the improvements that are emerging, and that arising out of the deeper knowledge and clearer vision, much of their anxiety will be greatly relieved.

Tonight I will be speaking in broad and general terms so as to sketch the picture as fully as possible for better understanding.

On Thursday morning, I propose to hold a breakfast meeting with the press to allow the media to raise those points which are still of concern, or to elaborate on areas covered in my presentation. And finally, on Thursday night, I shall be participating in a discussion on radio and television with some distinguished University faculty members to answer whatever questions they wish to raise on government's plans and programmes for economic recovery.

This programme of public statements and discussions is intended to open all the doors of information possible and I trust that the fullest use will be made of the opportunities to learn more about where we are coming from, where we are going as a nation, and how each individual is involved in all of this.

I am deeply worried that many have not always taken the opportunity in the past to inform themselves sufficiently when opportunities have been presented to do so. If we are to overcome the serious problems which the nation faces in adjusting for the excesses of the past decade of the 1970's on the one hand, and the damaging blows of the world recession and its severe impact on the bauxite and alumina industry, on the other, then we must all try to understand the plans by which these problems will be overcome.

Government alone must not be expected to chart the course, to lead the way, and to pull and push everyone along that path to the end of the journey. Everyone must make a determined effort to understand the plans which have been charted if we are serious about solving Jamaica's problems.

And if we are not serious, nor supportive of these plans, what is the alternative? Is it believed that outside interests will solve these problems for us? I urge you to understand that no one owes us this obligation. Our problems have to be solved by us, with some help from outside, of course, but in the main, by our own toil and talent.

Perhaps it is felt by some that there are better plans than those which we are pursuing? If so, where are they? Let those planners put the policies



and programmes which they propose on the table where we can see them so that all may judge the best course to follow. God knows we only want the best for our country; but how can anyone judge what is best if we expose our plans and strategies to be examined while others hide their intentions? I was astounded by the statement by one of the leaders of the People's National Party that there is no intention to state the plans of the P.N.P., but rather, that the party is seeking to change a government with known plans for one with unannounced and unknown plans. I find this extraordinary especially because it was the very plans and policies of that party as government in the 1970's which created much of the problems we face today.

I propose to deal more fully and pointedly with this position at a later stage in this address.

I want to refresh memories on the problems we face and the strategies which are in place to overcome them.

Over the past ten years, the fortunes and misfortunes of two commodities above all else have dramatically changed the Jamaican economy: oil and bauxite. These are our two largest areas of trade — oil the largest single import, and bauxite/alumina the largest single export. These two commodities have dominated the Jamaican economy over the past ten years and the story which unfolds on how these two giants have moved in terms of costs and earnings for us over the past ten years, tells a remarkable tale of exactly what has happened to the Jamaican economy in a simple and straightforward way.

A little more than ten years ago, in 1973, what we earned from bauxite/alumina virtually paid for our importation of oil. In 1973, oil cost US\$40 million and bauxite/alumina industry earned about US\$27 million.

You will all remember that suddenly in 1974, without warning, the first major shock occurred in the drastic increase in the price of oil and our import bill soared, in one year, from US\$40 million to US\$107 million. Where were we to find the considerable increase in costs overnight? The government of the day retaliated with the imposition of a bauxite levy which improved earnings from this industry from US\$27 million to US\$186 million in that same year.

The extent of the levy imposed at that time and the manner of negotiation including the breach of agreement, set the stage for much of the collapse which the bauxite industry now faces in Jamaica today. But notwithstanding that, the fact is that the levy in 1974 gave the then Government US\$186 million of bauxite earnings to more than pay for the US\$107 million cost of oil at the increased rate.

For the period up to 1979, in each year, our earnings from the bauxite levy more than paid for the importation of oil. Indeed, over the period, total bauxite levy earnings exceeded the full cost of

oil by approximately US\$280 million, because of the extremely favourable world conditions existing at that time for bauxite.

By 1980, the situation was dramatically reversed under the most unfavourable conditions existing then: oil costs dramatically increased again, and the levy earnings began a series of years of decline which worsened with the onset in 1982 of the worst recession the world has seen in 50 years. As a result, between 1980-1984, oil amazingly cost some US\$550 million more than we earned from the bauxite levy.

Consider this therefore: in the 1970's the bauxite levy earned approximately US\$280 million more than we needed to pay for oil; in the 1980's the bauxite levy earned some US\$550 million less than we required for oil.

Looked at in another way, last year alone we only had US\$85 million from the levy to meet an oil bill of US\$200 million, less than half of what we required.

When such a situation arises, a government has two courses of action to take: make up the amount in difference by using funds from the country's reserve, or find new areas of earnings while controlling costs.

In the first place, there were no reserves on which we could call for assistance to finance this gap. The last government inherited some US\$200 million of foreign exchange reserves in 1972, wiped them out completely by 1974, built up a monstrous deficit of minus US\$518 million by 1980. So the first option was ruled out.

The other alternative was to find new sources of earnings. In 1974, the government of the day found this new source by writing new regulations which produced a bauxite levy and hundreds of million of dollars of new earnings.

This easy alternative with immediate results does not exist for us today. There is no sector of the economy that has the potential to be tapped for one or two hundred million dollars of extra earnings per annum.

In the account which I will now outline as to how the government has dealt with this gap, you will see the spelling out of the government's overall plan for both the recovery of the economy and its structural adjustment.

We have had to adopt an inescapable and infinitely harder course as the central strategy of our plan — to develop three other sectors of the economy to be front-line foreign exchange earners, and in so doing, reduce our reliance on bauxite as the single major earner of foreign exchange. The sectors targeted for massive development were tourism, agriculture and manufacturing.

The record of achievement of this strategy is here for all to see. In tourism, estimated gross foreign exchange earnings have almost doubled over the past four years and the sector is now close to being the number one earner of foreign exchange. The magnitude of this achievement can be

measured by comparison with 1980 when the tourism industry was gasping in spasms for bare survival.

Agriculture is now the lead sector of the economy in dynamic growth which says a great deal for a sector that has been in almost continuous decline over the past 30 years. Today, agriculture is the most sought after area of investment; farm prices are, in general, at their highest; production increasing buoyantly; and unemployment in the sector at 3.3% as of April, 1984, the lowest since 1969.

AGRO-21 is revolutionising the sector with high technology commercial agriculture, ethnic food exports from small farms are expanding rapidly; loans are provided at levels never before available; and the farming sector has been given the opportunity of relief of income tax on farm earnings.

The manufacturing sector is by no means as buoyant as tourism or agriculture, but is beginning to respond to certain areas dramatically. Exports in garments jumped from US\$13 million to US\$30 million in one year.

What must be recognised is that none of this has been accomplished by the route of writing new tax regulations to produce a levy automatically releasing hundreds of millions of dollars. This opportunity is no longer possible in this period of the worst world recession in 50 years. The achievements have been produced from the solid development of new and lasting foundations of growth and foreign exchange earnings. Every step of the way has been sheer hard work: planning, investment and production over a sustained period covering the last three years.

The results are there to see. The economy is moving under the impact of these growth sectors, some areas more speedily than others. Certainly tourism is already in third gear and moving into high speed notwithstanding the set-back of organised demonstrations in January; certainly agriculture is in second gear travelling smoothly up-hill to recover ground lost over the past 30 years; manufacturing, to be sure, is in first gear on a low speed track so far, but with the potential to move rapidly into higher gear.

The result of all this, when the structural adjustment of the economy is completed, is a new structure with four strong foreign exchange earning sectors as the basis for economic stability in place of the heavy reliance on the bauxite industry as the only major earning source.

This strategy of structural adjustment of the economy has now more than ever proven itself to be well timed and justified, having regard to the rapid reversal of the bauxite industry over the past four years, to say nothing of the recent closure of Reynolds and ALCOA.

Consider the deep predicament we would now be facing if this new strategy was not already in

place. Today, in the aftermath of the sudden closure of major factors of the bauxite industry, we would have found ourselves having to suddenly put in place, in a few months, all the painful adjustments which we have gradually made over the past three years. The result would have been so damaging and disruptive that it would have been impossible to implement and the nation would then have faced the horrendous prospect of a collapsing bauxite sector with no alternatives to replace the loss.

I shudder to think of the outcome, and I repeat: it is most fortunate that we had commenced this adjustment process to reduce our reliance on bauxite three long years ago during which many of the tough, courageous decisions were taken, and much of the sacrifice already experienced.

The basic strategy to build up three front-line areas of foreign exchange earnings, is the inevitable devaluation of the Jamaican dollar which has long been over-valued for many, many years.

The devaluation rescued the hotel industry from widespread closure, and non-profitability. It is the devaluation which has enabled the tourist industry to secure the jobs of its workers, expand employment and improve earnings.

It is devaluation that has increased profitability for farmers of all export crops ranging from staples like banana, cane, pimento, coffee, cocoa, citrus and root crops to the new performers — winter vegetables, fruits and horticulture. The attractiveness of export agriculture has never been higher, because of devaluation.

Devaluation has now made a large number of manufactured goods competitive for export to the big markets of the world. The possibilities, although not sufficiently used, are enormous. We are no longer restricted only to the tiny CARICOM market. The U.S. market with the added incentives of the Caribbean Basin Initiative is now our main target area.

New investment projects are being implemented at a rate unknown in our history, more than 100 new projects annually over each of the past three years, the largest number shared between both manufacturing and agriculture, a departure from the dominance of manufacturing projects in the past. Another departure is to be found in the spread of projects — every parish has shared in the more than 300 new investments to date.

Those who wish to sneer at this are advised to consider that only 1,300,000 square feet of factory space was occupied or available for occupation in the Kingston Free Zone and Jamaica Industrial Development Corporation factory programme in 1980. By the end of 1985, 2,853,000 square feet will be occupied or newly built and ready for occupation, that is, over 119% increase in four years. What is even more interesting is that occupancy of these factories was 52% in 1980 and 97% in 1985.

I challenge anyone to identify a time in our history with more investment projects implemented and greater production of jobs.

What all this means, is that the economy now has several areas of strong performance which are showing the results anticipated from our strategies, building a new and solid foundation of sustained growth for the future.

But there is another side. The same devaluations have increased the cost of imports of oil, basic foods and a range of less sensitive items. The social cost of this strategy is higher prices for food, fuel and utility services, all areas of great sensitivity. This is the higher cost that pays for the improvements in the other vital sectors, tourism, agriculture and manufacturing.

There are no resources available to subsidise these higher costs. The ability of the government to carry the burden of subsidies as a budgeted expenditure was eliminated by two developments. Firstly, the over-expenditure of the 1970's wiped out all the government's savings that could have been available for subsidising the higher costs; secondly, the reversal of the bauxite industry between 1981-1984 reduced the flow of revenue through the levy by nearly US\$350 million.

The shock of all this has left no course but to pass on increased prices whenever costs change.

The lack of adequate revenues arising from the wiping out of savings in the 1970's, and reduced levy flows in the 1980's, has also made it impossible to continue to carry the size and unaffordable cost of the public sector which is recognised to be the largest civil service in the world, in proportion to the size of our country.

The combination of these two factors — the lack of adequate revenues and reduced levy flows — has produced high costs, redundancies in employment and cut-backs in services.

Nowhere is this more painfully felt than among salaried workers and others with fixed incomes, the poor who have little cushions of resources to absorb the higher costs, and the unemployed.

To relieve as many as possible from the pressure of the higher costs, three steps were deliberately taken:

- (1) Launching the Food Aid Programme which is benefiting one million persons — mothers with little children 1-3 years old, mothers-to-be, children in school and the poor and elderly;
  - (2) removal of 42,000 taxpayers earning up to \$5,000 from the tax roll, so that they will no longer pay Income Tax, and additionally, partial relief from payment of Income Tax for 48,000 individuals earning between \$5,000 and \$7,000;
  - (3) increase of the national minimum wage in two steps within the past year from 75 cents to \$1.30 per hour — a 73% increase.
- Additional benefits were also given for work on over-time, public holidays and for household helpers.

While not enough to absorb all increases of costs, these benefits are both meaningful and helpful to reduce the pressure of the increases being experienced, as well as to ensure that children, the poor, the elderly and the unemployed are protected nutritionally from a reduction in the food levels required for strong growth and good health.

No one deliberately chooses a course which increases costs to the pockets of families or results in lay-offs and redundancies. This course becomes inevitable because of the unavailability of savings and reserves which were wiped out in the 1970's, the higher cost of oil; and the devaluation of the Jamaican dollar which is essential to ensure the build-up of tourism, agriculture and manufacturing as prime foreign exchange earners to replace the earnings lost from the reduced bauxite levy flows during the recession.

The benefits of the plans for economic recovery and the restructuring of the economy are now beginning to be seen in the productive sectors — tourism, agriculture and manufacturing — in new employment, earnings and production. But the greater part of these benefits are yet to come if we stay on track with our strategies. Meanwhile, the pain of the adjustment is being felt in full, not in part, and now, not in the future.

This makes it more difficult for many to understand the purpose of the strategies being pursued by government, because to them, while the difficulties are being experienced now, the benefits in large part are still yet to come.

I ask you to believe that there is no alternative to these strategies even though they hurt and I know they hurt. The choice is not between pain and pleasure, but between pain and greater pain.

I seriously question all those who profess knowledge of a better alternative but who are afraid to put it on the table where it can be judged. I suspect that they have no alternative capable of addressing the fundamental weaknesses of the Jamaican economy nor the courage to face the need to restructure the economy to face the crisis demands of the 1980's. I strongly suspect that bankruptcy of ideas is the real reason for hidden plans. I strongly believe that if they have plans, which they understandably hide from the public, those plans are nothing but a revised version of the same plans which, in the 1970's caused these problems which we face today. Are not their leaders on record in saying that if they had the chance they would do the same thing over again, but better? Is this the plan?

**The plans which we have implemented are not without imperfection.**

The auction system is the most difficult area of our strategies, not because it is wrong in concept, but because we have not yet had the resources in the Bank of Jamaica to make it work to our advantage. I deliberately say that the bank has not yet had the resources, because the build-up of free and liquid resources is only now beginning to take place as we reach the end of the programme of paying out all our arrears in debt as the first priority. Once these resources materialise, as they will over the next few weeks, the auction will reflect a movement of the rate which will be to our advantage.

In the meantime, I know the anxiety you feel as you watch the rate of exchange continue to slide, threatening higher costs. There is no need to panic. The system has the ability to correct itself in the near future. Indeed, the problem of recent movements of the rate of exchange above J\$5.00 to US\$1.00 would never have occurred had it not been for the demonstrations in January which reduced the flow of foreign exchange earnings into the system. Calculations show that the rate would not have exceeded J\$4.97 to US\$1.00, if the demonstrations had not occurred.

The real problem is not the performance of the economy in the immediate future, which, with the exception of the movement of the rate of exchange beyond \$5.00, is proceeding on target and according to plan.

The targets in our one year agreement with the I.M.F. which ends on March 31 are achievable, with a concerted final effort. We are only a few weeks away from the end of March, and the evidence, barring any misfortunes, indicated that we can just about achieve these targets, with hard work and continuing self-discipline. Indeed, only the demonstrations in January which produced losses both in revenue and foreign exchange, place these targets in danger.

I want to take this opportunity of thanking the people of Jamaica for the support they have given over this past year in making possible the most severe adjustment of the economy ever attempted in our history. We have shown the world the true character and strength of our people; we are making our economy sounder to face the future even though we have had to suffer personal cuts in our standards of living to do so. We are at last coming to grips with the fundamental weaknesses of our society, particularly the plague that has afflicted the outlook of generations of Jamaicans who believe that we can continue to live beyond our means by borrowing the difference, and that the world stands ready and waiting to help us spend more than we earn. The lessons of the 1970's when we recklessly spent more than we earned and the corrective action which we are now taking in the 1980's to restore balance and health as existed before the mismanagement and recklessness of the 1970's, are testimony to the growing discipline and maturity of our people.

The problem is not in the completion of the one-year period of the I.M.F. agreement in March on target, as tight as this may be. The real problem that has now emerged is how to cope with the monstrous blow to the future implicit in the recently announced closure of Alcoa.

To give you an idea of the magnitude of this disaster:

The revenue loss will be \$125 million, that is, about the entire amount set aside for regrading the salaries of the civil service, two years ago, or looked at in another way, the equivalent of the total budget of the Ministries of

Industry and Commerce, Labour, the Public Service and Social Security, that is, the equivalent of the total expenditure of four entire ministries. Secondly, the foreign exchange loss will be about US\$40 million which is the equivalent of half of the US\$80 million Balance of Payment surplus projected for the next financial year.

Without these cuts in the bauxite industry, the additional revenue in foreign exchange and production which would have flowed at the 1980 level of production, if there had been no world recession, would have easily closed the gaps with which we have been struggling and our targets would have already been met. What is more, from all this we should note that the huge over-expenditure of the 1970's which was not paid for when the bauxite revenues were more abundant at that time, now have to be financed in the 1980's when these revenues have dried up in great part.

I wish I could tell you with certainty that the worse is over in this series of reversals in the bauxite industry. Unfortunately, worse may yet come, if signals we are now receiving are correct. None of this will overcome us. The challenge will only be greater, and over the next few weeks, we will be finalising new ideas and proposals to meet the changing situation.

In all this we will have to recognise and face the need for further corrective measures to cope with the problem.

It was never our intention to ask the nation to endure a further year of severe adjustment. I asked everyone to bear with us for one year in making the most severe adjustment to our economy in our history. This the nation has done, remarkably bearing the pain with little fall out or slippage.

We are now bringing together all the prospects for the new financial year, including the declining prospects of the bauxite industry, to structure a positive package of new measures. In every way possible we will make the additional burden on individuals as light as possible. But the level of further sacrifice will not be clear until I can report to you again on the measures we will need to take to overcome this most recent disastrous development, the closure of Alcoa.

We can adopt two approaches to all this: Throw our hands up in despair and abandonment; or recognise that if the island had been flattened by an earthquake or hurricane, it is we who live here who would have to dig out the survivors, pick up the pieces and start again to rebuild. Government will not, and equally you must not allow these shocks to numb our response. Problems are made to be solved and already we have commenced to structure the solution. It will not be easy, but it will be possible to create solutions

providing we recognise that it is we who are aht ones to chart the course, carry the burden, and eventually reap the benefits, notwithstanding such help we may receive along the way.

Some will gloat and will be pleased that in all this, life has been made immensely more difficult for a government which, unlike any other government in the world, has been faced with the overwhelming task of generating recovery from not one, but two recessions, back to back, over the past ten years: the recession from the mismanagement of the 1970's and the world recession of the 1980's.

Some will even see greater opportunity in all this to strike more destructive blows by continuing the sabotage that was clearly evident in the demonstrations in January by the felling of electricity and telephone poles and destruction of water pumps, in order to deprive us of electricity, telephone and water supplies. To this must be added the burning

of canefields. Let me tell you that no government alone can protect the country against these attempts carried out in lonely places in the dark of night, and if it is the intention of saboteurs to wreck the economy, they can, subject only to the extent that the people are prepared to judge them and to assist the government to stop them.

Others will urge that we face the reality that the country has to be re-built; the savagery of the blows only means harder work, greater sacrifice and deeper commitment.

I urge everyone to recognise that, now more than ever, Jamaica's future lies in our hands. Often the struggle to bear the weight of overwhelming burdens, the task to overcome the savagery of misfortune, brings out the worst in the character of men: selfishness, greed and a gruesome desire to use the misfortune of others for their own gain.

Other times, the true worth of character is evidence best when we struggle with solidarity against the odds of outrageous misfortune. Then the courage and determination, then the sacrifice and commitment, then the sheer guts of character, reject defeat, and urge us against adversity until we overcome.

In 1979 our little sister Caribbean island of Dominica was struck by hurricane Allen, wiping out its entire banana industry, which to that country was in effect its sole major source of foreign exchange, and even more important than bauxite is to Jamaica. One-third of all housing in the country was destroyed. Within two months hurricane David finished off what Allen had missed. If ever there was a wipe-out of a country, it was then. If ever a people ought to have abandoned their little rock, it was then. They did not; with little money and great determination they rebuilt their land, their crops and their homes. And they did it alone.

Who are the men that tell us that we don't possess the same deep commitment to our rock, the same strength of character to assail adversity,

the same intense desire to overcome? Who are the men who will turn their backs, sabotage our substance, burn our crops and scatter the soil of our country to the wind? If they destroy the present, what future can they decide or build?

There is perhaps no more beautiful place on earth than this little island we call home. And there is perhaps no greater challenge than that which now confronts us to build it as our home.

Let us till the soil to feed ourselves, extend the hand of friendship to visitors across the seas, work our machines, reduce our costs, earn our keep, care our elderly, feed our children, help our poor.

Let us build, and if there are set-backs, let us build and build again and again, until none can even say that we as a people failed to do everything that was within the power of our will, the fibre of our strength and the deepest love of what God gave us most to do upon this land, to care it, nurture it, and raise our children to reap its inheritance. Let men never say we failed. In this moment of deep adversity, let this be our greatest hour.

Stone on JNIP

Kingston THE DAILY GLEANER in English 11 Feb 85 p 8

[Article by Carl Stone]

[Text]

The Gleaner's recent "investigative" reports on the JNIP and the Government's investment promotion programme has stirred quite a bit of interest. The two reports are a welcome antidote to the misleading, glossy picture of the so-called investment boom painted by the Government and its spokesmen.

It is a pity, however, that the investigative report failed to give us any treatment of many of the underlying issues and therefore ends up as being just as superficial and in some respects as misleading as the glossy investment reports the investigator set out to debunk.

Let's begin at the beginning.

Mr. Seaga came to power with great confidence that the backing he had from Washington, the White House and U.S. corporate capital would have been big enough to enable him to mount an investment promotion programme that would have brought a flood of big investment money into the country.

Nothing of the sort has taken place. A significantly large number of small investments have come. Some of them are very good projects. The country should be grateful for every extra job created and every dollar worth of increased productive capacity or foreign exchange earnings or savings these projects have generated.

But the reality is that the inflow of investments has brought neither large input of hard currency into the economy nor is its overall employment impact likely to make a significant dent on our

current high unemployment levels. Nor do many of these projects have any potential to earn foreign exchange.

Why have these high hopes for a US-sponsored investment bonanza failed to materialise? Is it simply a matter of how efficiently JNIP has functioned? Is it simply that we suffer from an excess of bureaucracy in the processing of investment projects? Has the effort simply been strangled by red tape? Is it merely that our welcoming mat has not been big enough to entice more foreign capitalists?

No answers are going to be found in that corner. And in that respect the investigative report was quite irrelevant.

The entire Latin American region is being painted as a danger zone for new investment because of the region's massive debt problems and severe foreign-exchange cash-flow difficulties. No significant levels of foreign investment have been entering this region since 1980. Instead, there has been a massive outflow of capital from the region into the US.

Foreign companies have been running scared of mounting risk levels due to these debt and financial problems and have been repatriating their funds (where they can) on a big scale. Additionally, local business interests, also running scared of the implications of these debt and financial problems, have been moving out large quantities of capital into the US.

Now, prudent investors are not likely to bring large quantities of new investment money into any country that is part of a region in which money is being hastily bundled out and going in the opposite direction. The fact is that Jamaica is seen as part of this zone of financial woes.

More importantly, Jamaica's debt and foreign-exchange problems are well known. Corporations with big money are unlikely to incur the risk of bringing large quantities of capital into a country likely to have mounting problems paying its debts, repaying its loans, paying for imports, and remaining financially solvent.

Indeed, when you look at the picture of capital flight out of the region, it is clear that the modest investment inflows that have come here due to the investment promotion policy would not have come at all but for the aggressive salesmanship of JNIP and the Prime Minister.

Mr. Seaga expected to get the backing of big U.S. corporate capital through his Reagan connection. His expectations have come to nothing. It is not big US corporate capital that has come here in response to the investment promotion efforts, but small capitalists.

Most of them have little or no money and even less overseas experience. Some have virtually nothing beyond an idea. Some are tricksters and confidence men who came here to rip us off. In most cases, they come here with their two empty hands expecting to borrow investment funds locally. The impact on our Capital Account in the Foreign Exchange Budget has therefore been miniscule.

The big money corporations did not come, although they gave lip service to Seaga's Govern-

ment and sat on the various investment committees that were set up. Indeed, the bauxite interest which was the first to pull out of the country had its chairman on the vaunted Rockefeller investment promotions committee as chairman of the bauxite sub-committee.

Mr. Seaga was duped and conned by big US corporate capital who pretended to be behind him but backed off after taking one look at Jamaica. They concluded that the economy was a "basket case" and that the projects that seemed feasible were not likely to generate big enough profits to make those risks liveable or worth taking on.

Sadly, another kind of political game is being played by US interests and this includes the Government officials whose job it is to help prop up Mr. Seaga's capitalist "show case" with loans and technical assistance.

In the face of the desertion of Mr. Seaga by big corporate US capital, a whole line of propaganda is being fashioned to give the impression that the reason why the hopes for big investments have not materialised is that the Jamaican Government has not offered big enough incentives and because of an excess of bureaucratic red tape. All of that is a smoke-screen to hide the fact that Seaga has been abandoned by big US capital.

Massive US investments have flowed into the Far East since 1980. Indeed, the last figures I saw indicated that there was more US investment entering the Far East economies than what was going into Europe. Big money goes where big profits can be made and political and financial risks are low.

Those who control big US money are convinced that we do not qualify. With all the backing of Reagan and all those impressive speeches made all over the US by Mr. Seaga, the inflows are in fact a trickle rather than a flood.

The paradox, however, is that more new foreign investments took place between 1981 and 1984 than in any comparable time period in the 1960s. That fact was obscured in the investigative reporter's anxiety to challenge the glossy image of investment public relations projections.

Finally, the investigative report did not go far enough. The newspaper, if right, have spent some money to conduct a proper survey of the list of JNIP projects and gathered detailed information that could more properly guide an attempt at evaluation.

Only with such a survey could the investigator have adequate information to assess the likely impact on employment, foreign-exchange earnings and savings technology, transfer and so on. A few quotes from a few disgruntled investors cannot substitute for a proper survey.

The danger is that a half-baked, superficial analysis of the investment promotion policy becomes the bible on the subject because so many of us wish to discredit everything associated with an increasingly unpopular Government.

## Demonstrations' Impact on Tourism

Kingston THE DAILY GLEANER in English 13 Feb 85 p 1

[Text] Kingston, Feb 12 (Jampress)--Preliminary figures released yesterday by the Ministry of Tourism indicate that there was a decline of 10 percent in projected tourist arrivals in January as a result of cancellations because of the gas price demonstration.

However, as a result of intensive efforts by the Jamaican Tourist Board and the private tourism sector to reassure people overseas that Jamaica is still the place for vacations and conventions, the indications are that the January downturn was checked.

The Minister of Tourism, the Hon Hugh Hart has said that the preliminary figures for January indicated that as against a target of 68,000 stopover visitors, actual bookings were approximately 70,000 and arrivals 63,000. Notwithstanding the loss, January total visitor arrivals are expected to be 18 percent above the arrivals in January 1984.

The 10 percent loss in the number of projected stopover arrivals was concentrated over a 10-day period and so had a serious impact on occupancy levels and foreign exchange inflows for that period.

There is no doubt, the Minister said, that the demonstration had a serious effect on the foreign exchange inflows and consequently on the economy.

Mr Hart said that having regard to the need to build up foreign exchange reserves in order to stabilise the Jamaican dollar, the fall of 10 percent below the projection was a matter of grave concern to the Government because tourism is a major earner of foreign exchange.

In fact, tourism has grown steadily over the last four years from 543,088 visitors in 1980 to 843,358 in 1984, making it the largest single foreign exchange earner in the economy. The projected number of arrivals for this year is one million.

The Minister left the island on Sunday on an extensive two-week tourism promotion tour of the United States and Europe.



## Contingency Fund Infusion

Kingston THE DAILY GLEANER in English 15 Feb 85 p 3

[Text]

The House of Representatives yesterday approved an increase to \$94 million the aggregate amount of money in the Contingencies Fund as a result of continuing devaluation of the dollar which has caused a shortfall in budgetary provisions.

The Fund was last year increased to \$34 million up from \$20 million in 1979, according to the Leader of the House, the Hon. J.A.G. Smith who piloted the resolution.

Mr. Smith said he apologised for taking this matter with "more than normal rapidity" to meet the current level of expenditure necessitated by the continuous devaluation of the Jamaican dollar.

Normally, he said the House would have waited for two weeks to pass to allow for inputs from members of the public; however, the resolution did not deviate from form.

The increase now being sought of \$60 million to the Contingencies Fund represented about 1.78 per cent of the current budget, as approved by the House; and the new total of the Fund of \$94 million would represent about 2.65 per cent of the 1984/85 budget as presented and passed by the House, Mr. Smith said.

He said that since 1962 it had been necessary to increase the aggregate sum of the Fund from the initial half million to the present \$34 million. Other increases were \$1 million in 1966; \$1.5 million, 1968; \$10 million, 1975; and \$20 million, 1979.

"Throughout the year the levels of many items of expenditure have been increasing due not only to continuing devaluation of the Jamaican dollar but also to other internal and external 'cost pull.' This situation has, from time to time, required adjustments to be made to certain heads to accommodate excesses," Mr. Smith said.

The Fund, he added, provided the only lawful method of meeting additional and unforeseen expenditure as

and when they arose, which were not provided for by an Appropriation Act.

An increase was now necessary to enable current expenditure, in relation to heads that exceeded their votes, to be made within the framework of the Financial Administration and Audit Act, he said.

Comparing developments in the decade of the '70s and '80s to clarify the country's financial dilemma, Mr. Smith said that Jamaica's total oil bill was a mere \$44 million, about 9 per cent of total imports, adding that the total budget in 1972/73 was \$364 million.

Following the oil crisis in 1973 the oil bill in the calendar year moved up to \$65.4 million, about 10 per cent of total imports while bauxite and alumina revenue was \$188.2 million in 1972 and \$227.3 million in 1975 with a Jamaica dollar to U.S. dollar rating of 84 cents Jamaica to US\$1.

Mr. Smith spoke of the restriction of investments in Jamaica by the bauxite companies in favour of investments in other parts of the world, resulting in the loss of two companies to date.

"The bauxite and alumina industries have provided Jamaica with a substantial proportion of each \$1 of foreign exchange," he said.

Jamaica's oil bill in 1981 had risen to \$488.8 million, representing 33.4 per cent of total imports; but the country through price adjustments and "other moral persuasions" was able to reduce the bill to \$385.4 million, some 27.4 per cent of total imports, by 1981.

"It is a matter of some fascination that up to now the researchers from their research comparisons have not apparently made the true import of these facts available in a sufficiently simplified form that all citizens can be properly apprised of the real reasons for our current national financial dilemma," Mr. Smith told the House.

The resolution was approved without debate.

## PNP on Exchange System

Kingston THE DAILY GLEANER in English 20 Feb 85 p 1

[Text]

The People's National Party yesterday staged a demonstration outside the Bank of Jamaica, at Nethersole Place in downtown Kingston, against the foreign exchange auction system.

Party Chairman Mr. P. J. Patterson later issued a statement in which he said that the party was demanding an end to the auction system and the establishment of a fixed exchange rate, as further devaluations would cause irreparable harm to the economy.

The statement accused the Government of endangering the economy of the country and its whole social fabric "in pursuit of Seaganomics, despite the massive hard evidence that these theories will not work."

While the theory was that devaluations were supposed to make exports more competitive, the reality, "as our producers tell us," was that they have long been competitive in price terms and that further devaluations are now counter-productive "because they make prohibitive the price of new material imports necessary to keep industry going, and more important, the corresponding price increases demotivate the workforce."

The increase of Jamaican exports was not primarily constrained by price, the statement said, but by other factors connected with conditions in the world market "and above all with the failure of this Government to mobilize production. In the face of the massive devaluations, our exports have actually been falling."

The devaluations were supposed to reduce import payments. "In reality, there is a minimum set of import payments which have to be met regardless of the cost of foreign exchange, e.g. debt, oil, drugs and certain basic foods. These cannot be changed in the short-term and as a result the actual extent to which demand levels can be reduced is limited," the statement said.

The auction rather than doing away with bureaucracy had increased it for the presentation of bids, for the payments of taxes, approval from banks etc.

Mr. Patterson said yesterday's demonstration had been confined to the leadership core of the party but there would be demonstrations wider in scope if the auctions were not halted.

Kingston THE DAILY GLEANER in English 23 Feb 85 pp 1, 3

[Text]

The People's National Party said yesterday that the Government has resorted to "panic borrowing and wholesale mortgaging of the country's future" and was desperate in order to keep the country limping along.

Party chairman, Mr. P. J. Patterson, said in news conference yesterday that the PNP wished Mr. Seaga to state categorically whether an Austrian loan of US\$30.5 million being secured by a supply contract of alumina was part of a build-up of the country's resources.

Mr. Patterson also declared that the PNP welcomed the challenge for a public debate and stood prepared to engage in a wide-ranging debate whenever and wherever it was called.

He, however, said that following consultations with Mr. Michael Manley, President of the PNP now recuperating at home, he was authorised to state that the Party President was prepared to meet with Mr. Seaga in a public debate "the moment elections are announced."

Of the "panic borrowing," Mr. Patterson said that the Austrian loan by Gironzebrale Bank of Vienna was transferred to the Federal Reserve Bank of New York on February 1.

The terms and conditions, he said, were disadvantageous to the Jamaican Government and indicated how desperate was the country's economic plight.

Mr. Patterson listed four "worrying areas" of the loan which he said was for a period of 24 months, repayable in two instalments.

"Fifty per cent, that is US\$15.250 million 12 months after disbursement, that is February 6, 1986; and 50 per cent, that is US\$15.250 million 24 months after disbursement, February 6, 1987.

"One per cent of the total loan was paid in advance to A.T.C. Handelsges, a subsidiary of the principal

lender. This amounts to US\$489,000. We want to know the justification for this.

"In addition the Jamaican Government was required to pay from date of disbursement 'all reasonable cost and out of pocket expenses incurred by the Bank in connection with the preparation and negotiation of this agreement.' This amount of US\$75,000 was payable at the time of disbursement by a prior telegraphic payment order given by the Bank of Jamaica.

"There is also a management fee of 3 per cent of the amount of the loan which was being retained by the Bank amounting to US\$915,000. What can be the rationale for this?" Mr. Patterson asked.

He said that Mr. Seaga was boasting to the country that the currency was stabilising and would have the country believe that Jamaica was about to settle its outstanding foreign arrears because of "his consummate management" and effective policies.

"The reality is that he is borrowing from Peter to pay Paul," Mr. Patterson said, questioning why this new loan been negotiated in such secrecy.

On the call for the PNP to disclose its plans and programmes, Mr. Patterson said that the basic elements of a new economic and social plan were outlined by the Party's President at a special session of the People's Forum in June.

"In emphasising a participatory approach to planning and development, the PNP programme represented a bold departure from Mr. Seaga's style of Government in which he insists that he knows it all," the PNP Chairman said.

Copies of the Party's draft plan had been circulated to a number of private sector organisations, he added.

If the JLP was anxious to see the PNP's election manifesto, the remedy lay "in their own hands...call elections now," Mr. Patterson said.

He observed that the Party noted the conditional offer of Mr. Seaga to debate the economic strategies with Mr. Manley; however, he said, he had consulted Mr. Manley and was authorised to state that Mr. Manley would be prepared to meet Mr. Seaga in a public debate, the moment elections were announced.

The Party welcomed the challenge and stood prepared to engage in a wide-ranging debate whenever and wherever.

Dealing with the IMF, Mr. Patterson told newsmen that the PNP did not regard the JLP as having the "political authority" to conclude a new agreement with the IMF in the absence of a mandate from the electorate.

Elaborating, he said that the honouring of contracts and agreements by succeeding governments was not an obligation under law; it was a practice of convention.

However, he said, that convention impinged on other conventions which included the "honouring by a Prime Minister of solemn pledges" given in Parliament. That convention no longer existed, Mr. Patterson said, adding "we are putting everyone on warning to that effect."

He stated that should the Government enter into any agreement, this would not be regarded as binding upon the Opposition.

A Jamaica House spokesman told the Gleaner that the Prime Minister was not available for comment last night.

CSO: 3298/452

JAMAICA

## BAUXITE CRISIS BECOMES POLITICAL BONE OF CONTENTION

Hart on 1974 Levy

Kingston THE DAILY GLEANER in English 9 Feb 85 pp 1, 3

[Text]

**T**HE IMPOSITION OF a production levy on the bauxite industry in 1974 was blamed yesterday for the current crisis in the industry which received a major jolt this week with the announced suspension of operations by Alcoa Minerals of Jamaica.

Senator Hugh Hart, Minister of Mining and Energy, in a statement on Alcoa told the Senate yesterday:

"The events of 1974 have affected the Jamaican industry in a manner totally beyond control of this Government, and it is important to demonstrate how these far-reaching effects have now culminated in the current situation. In other words what happened on Wednesday is a direct repercussion of 1974 and can be traced back to two major aspects of those negotiations:

"(1) The levy was pitched too high. This became obvious very soon after the agreement was implemented, leading to an ad hoc adjustment having to be made in the ensuing years up to 1979, when an agreed reduction was formalised.

(11) The arrogance on the part of the then Government which reached a climax with the decision to abrogate existing contracts and arbitrarily impose an excessively high levy on the industry."

Mr. Hart said the abrogation of contracts was not appreciated by any party to a contract except the perpetrators of such an act, and least of all by companies such as those operating in the industry in Jamaica whose world-wide systems were so heavily dependent at the time on their Jamaican operations.

"The fact that such grossly irresponsible and short-sighted behaviour is an inherent characteristic of the People's National Party was confirmed as recently as five days ago when the President of that Party openly restated and reinforced this philosophy in Montego Bay," Mr. Hart said.

The Minister was apparently referring to the declaration by PNP leader Mr. Michael Manley at a party rally in Montego Bay last Sunday that the party did not regard as necessarily binding any economic, social or cultural arrangements entered into by the Seaga Administration as of February 4, 1985.

In the Senate yesterday Mr. Hart spoke of the effect this could have "not only on overseas companies but on potential investors contemplating the establishment of businesses here."

Mr. Hart said the loss of confidence in Jamaica arising from the imposition of the 1974 levy led to boardroom decisions being taken from the perspective that the country could no longer be trusted, and that therefore good corporate planning would dictate the dilution of dependency on Jamaica, and so minimise exposure and vulnerability to similar action in future.

The sum total of all this was that whereas in 1974 Jamaica accounted for approximately 20 per cent of the world's bauxite supply, that percent-

age in 1984 was reduced to under 10 per cent, Mr. Hart said, as he explained how the companies reduced their dependence on Jamaica.

He said that when plans were being made for the expansion of capacity Jamaica was excluded from those plans; and no significant investment took place at their Jamaican operations to advance or institute technology and react to changed energy economics. This led to Jamaican production gradually becoming more and more uncompetitive.

Mr. Hart also told the Senate of what his Government had done in the area of marketing since 1980 to mitigate the effects of 1974.

(The full text of Senator Hart's statement will be published next week.)

#### PNP Reaction

Kingston THE DAILY GLEANER in English 12 Feb 85 p 1

[Text]

The People's National Party has charged that a suggestion that the bauxite levy of 1974 was the cause of Alcoa's decision to cease production ignored opportunities for the Jamaica Labour Party Government "to honour its promise to abolish the levy."

The Party's spokesman on Mining, Mr. Horace Clarke, said in a release yesterday that it was significant that the Minister of Mining Senator Hugh Hart who now identified the levy as the cause of the problem, last year finalised new negotiations with the bauxite companies which only "modified the levy and not abolish it" as he said had been agreed to in principle.

Mr. Clarke was responding to a statement in the Senate on Friday from Senator Hart accusing the PNP of abrogating contracts with the bauxite companies and imposing the levy, the repercussions of which he said were now being felt.

He said that the JLP's 1980 election manifesto promised increased production of bauxite and alumina if it became the Government. Mr. Clarke also said that Mr. Seaga had restated this intention to the country in Parliament, indicating that there would be an increase in production of 18 million tons in 1984.

Mr. Hart was now manufacturing an excuse for his and Mr. Seaga's failure to function efficiently in the management of the bauxite industry, Mr. Clarke said.

He quoted Mr. Hart as saying in March 1984 when Reynolds pulled out that "the decision to discontinue Reynolds Bauxite operations in Jamaica... was in no way related to the principles of the bauxite levy on which negotiations have just been concluded and which the Company felt pointed in the right directions."

He accused the Senator of failing to maintain good relationships with the decision-makers in the industry as he pointed out that Alcoa's decision to cease production was the second to have occurred within one year which "caught them by surprise."

Mr. Clarke said that no agreement or commitment was reached for the company to lessen the impact on the workers including assistance with school fees and the availability of land and equipment.

The pessimistic statements by Mr. Hart, he said, suggested that the Minister of Mining saw very little future for Jamaica's bauxite industry; however Mr. Hart should devise and put into immediate effect plans to find new markets for the country's

bauxite, instead of throwing up his hands in despair because of competition from producing countries.

"This only showed the lack of vision of the Government and its blinkered dependency on one market alone," Mr. Clarke said.

Mr. Clarke said he regarded the closing of Alcoa as a national tragedy and again offered his services towards a solution to this problem.

In a companion statement, the PNP spokesman called on Mr. Hart to inform the country of the fate of four separate proposals the Minister said he was discussing with various people to seek to recover the loss to the economy and safeguard or replace jobs of the workers at Reynolds Jamaica Mines when that Company ceased its operations last March.

He said that 11 months had passed in silence and he was reminding Mr. Hart of those proposals in view of the present Alcoa crisis and especially Mr. Hart's assurance that steps to alleviate the problems which would be experienced by Alcoa's workers had been worked out with the company.

#### Mullings Remarks

Kingston THE DAILY GLEANER in English 23 Feb 85 p 3

[Text]

People's National Party's spokesman on Finance, Mr. Seymour Mullings, has accused the Government of "wilfully misleading the country on the true reasons for the crisis in the tourism and bauxite industries."

At the Falmouth leg of an island-wide series of "election now" campaign meetings held in Water Square Thursday night, Mr. Mullings bemoaned the fact that despite pleas from different quarters, the Government of Prime Minister Edward Seaga was still not being "straight" with the nation.

The slump in the bauxite industry,

he stated, was not due to the bauxite levy, as the Government would have the country believe, but stemmed from the Government's unwillingness to diversify the bauxite market to include more Eastern Bloc countries.

"The PNP has a policy that rather than selling your bauxite only to North America, we must find markets all over the world wherever they might be. And if Seaga had taken our advice and expanded the market, maybe Alcoa and Reynolds might have been kept open. Maybe if it were not for the contract with the USSR, Kaiser may have been closed also," said Mr. Mullings.

Commenting on the tourist industry, he said that the much-blamed demonstrations of January 15 were not the only and major causes of the recent series of cancellations within the tourist industry, as figures showed that there were cancellations long before the demonstrations.

Mr. Mullings urged the Government to "put everything in place" for the betterment of the industry with the confidence that it has the pledged support of the PNP.

Party spokesman on Agriculture, Mr. Desmond Leaky, in his speech dismissed the recently-announced village expansion programme by the

Government as "political gimmick," as most of the lands identified under the programme were those given to the farmers under the PNP's Land Lease Programme, but were retaken by the present Government when it took office.

Mr. Leaky also said that Government was selling lands connected to housing schemes in Trelawny without prior advertisement or any proper procedures being followed, and questioned if that was Government's policies toward agriculture and housing.

Other speakers at the meeting included Mr. Winston Jones and the Councillor for the Falmouth Parish Council Division, Mr. Joseph Wright,

C&O: 3298/452



JAMAICA

COMMENT FOCUSES ON MEASURES TO STOP GANJA TRAFFICKING

Stone on Side Effects

Kingston THE DAILY GLEANER in English 27 Feb 85 p 8

[Article by Carl Stone]

[Text]

A number of persons (including myself) have expressed sympathy and support in the past for the ganja trade and the ganja farmers. Faced with an economy experiencing collapse in so many areas the effort to carve out a new (though illegal) area of foreign exchange earnings was a creative response to economic and social pressures.

But today the side effects of the massive ganja trade threatens to strangle the legitimate areas of economic activity in the country.

The recent seizure of an Air Jamaica 727 jet in the U.S. by customs officials there over the discovery of ganja cargo and the constant heavy fines imposed on shipping companies and exporters over ganja cargo serve to bring the issue sharply into relief.

Following the massive U.S. anti-drug campaign directed at the major South American cocaine-exporting countries (Bolivia, Colombia and Peru), Jamaica has become a target in two senses.

More transshipment coke traffic is being passed through here en route to the U.S. because of the U.S. blockade of other routes. Secondly, U.S. narcotics, U.S. congressmen, Washington generally and the American press have been waging a major campaign against the Jamaican drug connection.

### Economic aid in jeopardy

The large inflows of economic aid the country receives from the U.S.A. (\$U.S. 500 million between 1980 and 1984) is in jeopardy from threats of a total cut-off of U.S. aid to Jamaica by the U.S. Congress unless we show more convincing evidence of bringing the ganja trade under tighter control.

Most of the earnings from ganja accumulate in the hands of the big U.S. dealers and Jamaican Mr. Bigs who keep their assets in Cayman banks and in the U.S. Most of these earnings never comes back into the economy. So one has to be wary of the costs the country could incur if ganja trafficking threatens other areas of our economy.

Efforts to speed up cargo traffic for both airlines and shipping are being dismantled to permit greater security control over the ports, the airports and cargo containers. Passes issued to exporters to enable them to expedite quick loading of cargo at the airports have had to be withdrawn to tighten airport security checks and surveillance.

### Perishable exports

Arrangements for exporters to load containers at office sites to speed up the processing of export cargo have to be withdrawn to facilitate tighter security control of shipping cargo.

Because of the heavy traffic of ganja into the U.S., detailed searches of all forms of cargo means inevitable slowing down of cargo movements, losses of perishable exports and failures to meet deadlines for cargo delivery as well as damage to cargo being searched for ganja storage.

Our export drive, especially in agricultural products will not go anywhere if we do not remove the ganja menace and restore normal treatment of U.S.-bound export cargo from Jamaica.

Massive fines to the extent of \$25 (U.S.) per ounce of ganja found are being imposed by U.S. customs on all agencies responsible for cargo containing ganja.

Increased security surveillance of the port has led to fortunate discoveries of large quantities of ganja in refrigerated containers. Had these containers of ganja been discovered in the U.S., the vessel transporting it would certainly have been seized to cover the huge fine that would have been involved.

### Build-up of pressure

As U.S. narcotics have stepped up the pressure on the little planes that fly in and out of Jamaica carrying ganja, there has been a build-up of pressure to find alternative outlets. The shipping companies and Air Jamaica are paying a heavy price for these initiatives.

Up until recently the trade was centered around Jamaican growers, some Jamaican middlemen and U.S. dealers. Today, U.S. dealers are operating right here in Jamaica. They finance the growing which is farmed out to whole communities that become dependent on ganja income—in St. Elizabeth, Westmoreland, Trelawny, St. James and St. Ann.

Between the U.S. mafia now in our midst, the Jamaica ganja millionaires who stash away their multiple millions in overseas accounts and the many poor people from whom ganja income makes the difference between starving or having money, the ganja lobby is growing into a formidable political force at the local level in various communities in the western end of the island.

Some of the leaders of the ganja lobby have visions of challenging both the JLP and the PNP when the right time comes.

### Sad patterns

Two sad patterns have followed the expansion of the ganja industry. Cocaine use has multiplied in its trail. Some ganja growers accept cocaine in exchange for ganja from the U.S. mafia dealers. The coke can be sold easily for big bucks on the northcoast as coke is the current high-price-drug fad of the U.S. upper middle class who can afford such expensive habits. Secondly, increasing cocaine use by persons connected to the local ganja trade has been another unfortunate side effect. Some end up as mental and physical wrecks while some have their lives shortened. The dangerous link between ganja and gun-running has had the effect of producing a breed of vicious killers on drugs with access to M-16 weapons and other deadly high powered arms.

Agro-21 and the export drive have no future unless we bring the ganja traffic under control.

The ganja mafia are skilful political operators. They have carefully spread vicious rumours linking ganja activity to prominent JLP politicians, giving the impression that the anti-ganja initiatives of the JLP government are designed to wipe out competitors and increase the control of the ganja business by JLP politicians. In the present anti-government mood across the country many persons are believing these rumours. They help to discredit the government's stand against the trade and give those dependent on it for a livelihood a deep sense of anger.

More effective security measures have to be used at our main ports and airlines. Private security firms have to be removed and soldiers brought in to oversee "the runnings" at these target outlets for ganja exports. Thorough searching of cargo and luggage has to be done so that over the next 6 months or so the ganja exporters will be discouraged from using legitimate cargo on ships or planes as their means of trafficking the weed into the U.S.

If they continue to do what they are doing now our economy, already in a deep crisis, will be further at risk.

Kingston THE DAILY GLEANER in English 27 Feb 85 p 8

[Editorial]

[Excerpts]

The seizure of an Air Jamaica jet in New York last week and the imposition of a US\$1 million fine on the national airline is a startling development in the war on drug trafficking. This happened just over a week after a U.S. State Department report on February 14 listed Jamaica among eight countries still needing to control the production of narcotics — in our case marijuana or ganja. The seizure of the aircraft underlines the seriousness of the drug enforcement authorities in the U.S. It also points to the high level of organisation and criminal conspiracy local dealers have reached in being able to infiltrate cargo space on the national airline.

We have had official indication before now that the trade is big business. Prime Minister Edward Seaga told Parliament last September that the Revenue Board had accused 28 persons, some of them well-known, of engaging in narcotics trafficking and thus were liable to pay some \$117 million in taxes. The inference was that they could not be nailed on

drug charges but could be caught in the tax net, much in the manner of the infamous American mobster, Al Capone.

It would be instructive to hear the sequel of that disclosure by the Prime Minister. If those drug dealers are still operating with impunity the country should be told. They or others must still be active, for even before the seizure of the aircraft in New York some 6,000 lb. of ganja in two containers had been discovered on an Air Jamaica Airbus at Miami airport.

The preventive measures that have now been instituted to keep the flights clean will have to be maintained and made to work effectively. For the trafficking now goes beyond questions of drug abuse and the deleterious personal and social effects. Stricter measures must inevitably slow the movement of both passenger and export cargo. In these hard times we have been told repeatedly to export or die. The drug trade is threatening an economy already on the brink.

CSO: 3298/453

JAMAICA

ILLEGAL VISA RACKET CRACKED WITH ARREST OF THREE

Kingston THE DAILY GLEANER in English 9 Feb 85 p 3

[Text]

A big visa racket has been cracked, Flying Squad detectives believe, with the arrest on Friday, February 1, of a man and two women charged with breaches of the Passport Act and obtaining money by false pretences, and the seizure of 16 passports and Jamaican and U.S. Immigration stamps.

Held are Cecil Barker, 38, businessman of Espeut Avenue, Kingston 11, who the police say is also known as Roddie, Barracks, Roy Ellis, and Cee; Eileen Veronica Brown, 19, Barker's secretary and girlfriend, of Carlos Road, Kingston 11, and sometimes called Patrel Campbell, Michelle Smith, Pearl and Ver; and Carol Messington, 27, housewife, of Fleet Street, Kingston, and also called Ivy Henry.

They are charged with breaches of the Passport Act and obtaining money by false pretences and appeared before the St. Andrew Resident Magistrate's Court, Half-way Tree, yesterday and are to appear again on February 22.

As the detectives press their investigations, they are asking anyone who may have paid money to a man to get visas to get in touch with them.

According to police reports, around 7 a.m. on Friday, February 1, a man was held by the police at Ferry while travelling in a taxi along the Kingston-to-Spanish Town Highway.

He was taken back to the hotel in Kingston where he was staying and in his hotel room police found two women and nine Jamaican passports with indefinite visas to the United States, and seven false Jamaican and U.S. immigration stamps.

The two women and the man were arrested.

Also found was a diary with the names and addresses of several persons here and overseas and a corresponding list of passports relating to visa transactions, involving up to \$7,000 in some cases.

The photographs of Brown and Messington were found in passports bearing names different from theirs, the police said.

CSQ: 3298/453

JAMAICA

GUN BATTLES RESULT IN AVERAGE OF ONE KILLING EVERY DAY

Deaths So Far in '85

Kingston THE DAILY GLEANER in English 19 Feb 85 p 1

[Text]

Since the beginning of the year at least 57 people have met violent deaths islandwide — by way of shootings, stabbings and lynchings — an average of more than one a day.

Forty-one persons died by the gun, according to reports published in the **Gleaner**. No up-to-date figures were available from official police sources up to yesterday.

Twenty-nine of those killed were shot dead by the police, 11 by gunmen and one by a civilian.

The killings by the police involved mostly shoot-outs with gunmen, according to Police Information Centre reports at the time of the incidents. At least six M16 assault rifles, several handguns and ammunition were recovered.

Several of those killed were on the police-wanted list.

In the case of killings by gunmen, most were of civilians in hold-ups and to a lesser degree during gang warfare.

In January, 24 died by the gun, 19 at the hands of the police, four by gunmen and one by a civilian.

In February, 17 were gunned down, ten by police and seven by gunmen.

There were at least eight fatal stabbings and a case of robbers hacking a man to death.

There were five reported cases of lynchings, according to reports published by the **Gleaner**. Four men accused of being robbers were beaten to death by citizens and a fifth was hacked to death after being accused of being a chicken thief.

The majority of deaths occurred in the Corporate Area and St. Catherine.

Seven killings by the gun occurred during the two-day gas price demonstrations in mid-January and ten men were killed by police between January 7 and 13, including several on their wanted list.

## Slain With Communist Links

Kingston THE DAILY GLEANER in English 28 Feb 85 p 1

[Text]

Three men who police say were shot dead in a shootout along Red Hills Road in St. Andrew on Monday morning have been identified; they had communist connections.

PIC identified them as Joseph "Junior" Robinson, 24, of Watson Avenue, Kingston 8; Karl Hurge, 27, unemployed of Bronx Road, Kingston 20, and Patrick Lewis, 27, of Druessdale Avenue, Kingston 20.

PIC in a release had said the three men were shot dead by police along Red Hills Road in the shootout in which a stolen car, a submachine gun and a .38 calibre revolver were seized.

The car had been stolen from the University of the West Indies the night before, and when challenged by the police the men opened fire at them.

The Workers Party of Jamaica in a release dated February 26 said two of

the men killed were members of the party and the other a former member.

The WPJ said Robinson worked with a film company, and formerly at the Jamaica Information Service; Karl Hurge was unemployed.

The former party member, Patrick Lewis, was an employee of the Ministry of Youth and Community Development and a former employee of the National Planning Agency. He was also posted to the Jamaica Embassy in Moscow, Soviet Union, the WPJ said.

The party said it was not satisfied with the circumstances alleging a "shootout" and called for an immediate investigation by the Commissioner of Police.

Reports are that following on the slaying of the three, police went to the home of Patrick Lewis and found communist books, police uniforms, and helmets, and materials for putting up tents.

CSO: 3298/453

11 April 1985

## JAMAICA

## PNP YOUTH GROUP TO BOYCOTT INTERNATIONAL CONFERENCE

Kingston THE DAILY GLEANER in English 11 Feb 85 p 13

[Text]

The People's National Party's Youth Organisation is boycotting the International Youth Year Conference to be held here in April and has embarked on a campaign to gain national and international support for its action.

The organisation's non-participation has been communicated to the Chairman of the Jamaica National Organising Committee for the Conference, the Hon. Errol Anderson, but up to yesterday no response had been received, the PNPYO said.

(When the PNPYO's boycott was first announced earlier this week Mr. Anderson said that it was unfortunate that they would not be participating since it was indeed in the spirit of democracy that the PNPYO had been invited to attend.)

Although not participating in the conference, the organisation is taking part in International Youth Year activities and has planned a programme of events for this.

Reasons for the Youth Organisation's boycott of the event were outlined by the executive at a press conference yesterday.

Chairman, Audrey Budhai in a statement said that the manner in which the conference had been planned, the purpose and "the lack of credibility in the Government of Jamaica as host," led the organisation to denounce the conference. Therefore the PNPYO would be boycotting the conference and would be mobilising local, regional and international youth organisations to support the boycott.

The PNPYO, she said, welcomed the declaration of 1985 as International Youth Year and was committed to join in any meaningful ef-

forts to translate the theme into reality for the benefit of the youth of Jamaica. However, the PNPYO was convinced that some sinister motive lurked behind the holding of the conference and festival.

Among the reasons for the boycott given by Miss Budhai were what she termed the lack of moral authority of the Government, the exclusion of some organisations because of political reasons and that the procedure, agenda and objective of the conference suggested that it would be "stage-managed, political in nature and in opposition to the theme of the conference." She said that while there was a US\$4 billion foreign debt and over 154,500 youth unemployed, the government was about to "splurge US\$7 million on a tribal event to meet political ends."

Also participating in the press conference were Mr. Carlyle Dunkley, the PNP's spokesman on Education, Youth and Sports, and Mr. Lorenzo Ellis, General Secretary.

CSO: 3298/454

JAMAICA

SUGAR INDUSTRY ANNOUNCES PRICES FOR 1984-1985 CROP

Payment to Farmers, Producers

Kingston THE DAILY GLEANER in English 14 Feb 85 p 1

[Text] The payment of a price of \$1,305 a ton to the sugar industry for the 1984/85 crop has been announced by the Chairman of the Sugar Industry Authority, Mr Frank Downie.

The approved price will be shared between cane farmers receiving \$817 a ton and sugar manufacturers \$488 a ton, according to a release from the S.I.A. yesterday.

Mr Downie's announcement specified that any increased J\$ earnings from the locally produced sugar resulting from movements of the exchange rate would be paid over to the industry on the completion of the marketing programme.

The SIA Chairman pointed out that the total payment of \$1,228 a ton sugar made to the industry in respect of the 1983/84 crop included a subsidy of \$7 million from earnings on sugar imported into the island.

He said that the Government proposed to appoint a Commission of Enquiry to examine certain industry matters, including the industry's claim to an additional payment of \$12 million arising from the sale of imported sugar for the 1983/84 crop year.

The release noted that a final decision as to how such surpluses should be dealt with must therefore await the result of these investigations.

The Commission would also be set the task of recommending an equitable formula for the sharing of the total sugar price between manufacturers and farmers.



## Road Problems

Kingston THE DAILY GLEANER in English 15 Feb 85 p 17

[Text]

Cane farmers at Eaton in Hanover say they stand to lose over \$260,000 as over 4,000 tons of cane cannot be reached because of the bad road. According to a spokesman for the cane farmers, Mr. Brenton Trench, the cane haulage contractors have refused to haul cane because of the road condition. As a result, he said, the Frome Sugar Factory will not grant the farmers their quotas until they can guarantee transportation of the cane.

"It is difficult for us to send our children to school as a substantial amount of cane should have been reaped already," Mr. Trench said. He added that the matter had been reported to the All Island Jamaica Cane Farmers' Association through the Kew Cane Farmers' Association which represents them.

The farmers, in trying to improve the situation, had used tree trunks and dried coconut husks to ballast the roads, said Mr. Trench.

Meantime, the cane farmers have threatened that if nothing was done by this week, they would be protesting by blocking the road.

## Status of Current Production

Kingston THE DAILY GLEANER in English 18 Feb 85 pp 1, 3

[Text]

The chairman of the Sugar Industry Authority, Mr. Frank Downie, has said that if satisfactory cropping conditions continued the industry should achieve its projected target of 210,000 tons of sugar in 1984/85 — which would satisfy the raw sugar requirements of the domestic and export markets.

The S.I.A. Chairman said that up to Thursday last week 33,015 tons of

sugar had been produced at the greatly improved conversion rate of 9.76 tons cane to one ton of sugar. This, he observed, compared favourably with last year's average at the same time of 11.72 tons cane to one ton sugar.

He ascribed this promising performance to improved raw material resulting mainly from the educational work being done by the Sugar Industry Research Institute, factory management, the Cane Farmers Association and other Industry Agencies in

the various factory areas. Mr. Downie warned, however, that all of this useful work could be destroyed by a continuance of the illicit burning of cane. An efficient sugar industry, he added, has a vital and indispensable role to play in the Jamaican economy.

It was also pointed out that a substantial reduction in oil consumption at certain factories was another feature of this year's crop.

Production figures released by the S.I.A., are:

Frome...10,467 tons @ 9.91 tons cane to one ton sugar (TC/TS) —milling began 17-1-85; Long Pond...4,164 @ 11.15 TC/TS —milling began 4-1-85; New Yarmouth... 7,189 tons @ 9.42 TC/TS —milling began 2-1-85; Appleton... 4,658 tons @ 8.77 TC/TS —milling began 3-1-85; Worthy Park ... 4,434 tons @ 8.38 TC/TS —milling began 12-1-85; Hampden ... 2,103 tons @ 12.54 TC/TS —milling began 16-1-85.

The three non-operating factories— Bernard Lodge, Duckenfield and Monymusk—were expected to commence their 1984/85 cropping operations by today.

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JAMAICA

BRIEFS

IADB GRANT--A grant of approximately US\$2 million was on Feb 8 received by the Government of Jamaica from the Inter-American Development Bank (IADB) at a signing ceremony in the Conference Room of the Planning Institute of Jamaica (PIOJ). The grant will go towards the provision of consultants who will assist in the strengthening and rebuilding of Government agencies and institutions that are seen as key and essential to the country's economic programme, a release said. Dr Brown said the consultants will be working alongside their Jamaican counterparts. Agencies and institutions which will benefit from this grant over the next two years include the Ministry of Construction, the Jamaica Public Service (JPS), the Planning Institute of Jamaica (PIOJ), the National Water Commission (NWC) and the Statistics Institute (STATIN), formerly known as the Department of Statistics. These agencies were also beneficiaries of a similar two-year grant in 1982. [Excerpts] [Kingston THE DAILY GLEANER in English 15 Feb 85 p 17]

BAUXITE WAGE PACT--Kaiser Bauxite Company and the National Workers Union reached agreement last night on a wage and fringe benefits contract lasting from February 1984 to October 1986. The negotiations were chaired by the Deputy Prime Minister Hugh Shearer at his Ministry. The agreement provides for wage increases of up to \$3.04 per hour in the first period and \$1.50 in the second period. It establishes in the first period rates ranging from \$6.35 per hour to unskilled workers to \$12.54 per hour to the skilled worker. In the second period, the rates will be \$7.11 per hour for the unskilled and \$14.04 for the skilled. In addition to wage rates, the parties agreed to increases on shift premium; Sunday premiums; revision of the company's life insurance scheme; and uniform allowance. A special feature of the agreement was the introduction of a sales bonus scheme to be effective on July 1, 1986. The union's team was led by Island Supervisor of the NWU, Mr Lascelles Perry and Vice President, Mr A. Wilson along with 12 worker delegates. The Company's team was led by Mr Ed Coyne, Kaiser's managing director, and Mr Earl Howard, Industrial Relations manager, accompanied by five heads of department. [Text] [Kingston THE DAILY GLEANER in English 9 Feb 85 p 1]

WORKERS UNION CLAIM--The National Workers Union (NWU) has served a 17-point claim for increased wages and fringe benefits on the Ministry of the Public Service on behalf of public sector workers to become effective as of April 1 next. At the same time, the union has asked for an early meeting so that

agreement can be reached with the unions involved. The claim, according to an NWU release, was served by letter delivered by Vice-President and Assistant Island Supervisor, Mr J.A.G. Myers, on January 11, 1985. It called for wage increases of \$80 per week in the first year and \$70 per week in the second year commencing April 1, 1986 on behalf of those workers who receive carrying-on allowance upon the last contract expiring March 31, 1985 and \$60 per week for those on the last Pay Plan for period April 1, 1985 to March 31, 1986 and \$50 per week for the second year April, 1986 to March, 1987. Under the wage claim, the NWU is also asking for restoration of parity of pay for workers doing comparable jobs to ensure equal pay for equal work. [Excerpt] [Kingston THE DAILY GLEANER in English 14 Feb 85 p 12]

CSO: 3298/454

MEXICO

VERACRUZ STATE SAID APPORTIONED AMONG 5 'GODFATHERS'

Mexico City PROCESO in Spanish No 431, 4 Feb 85 pp 12-17

[Article by Ignacio Ramirez]

[Text] Veracruz--On that Tuesday, 15 January, the wind and black clouds made the funeral procession of the man known in life as Martin Munoz Bello, murdered the day before over old feuds, even more lugubrious. He was to be buried in the cemetery of the village known as El Encino, in the municipality of Coscomatepec, 340 kilometers from this port, when another storm broke loose.

The 40 persons accompanying the hearse bearing the coffin were suddenly surprised, before reaching their destination in Tepetzingo, by a dozen *pistoleros* led by Epigmenio Hernandez. They pulled the triggers on their high-powered weapons and the arms spit fire. Instantly, Jeremias Munoz Bello, Bernardino Loyo Bello and Liborio Munoz Rosas fell dead.

Panic struck. The killers fled. When the confusion was over, the mourners continued their pilgrimage to the cemetery, where they gave a Christian burial to Martin. They then returned with the dead to another wake.

These events were reported to Daniel Carrillo Mendieta, official of the Huastusco Ministry of Justice.

On the following day, the *pistoleros* returned to the holy ground. They dug open the grave, hauled out the coffin, opened it up and fired machine-gun bursts into the inert body of the deceased.

One more act of vengeance had been committed.

In the Sicilian style, vendettas are more frequent among the "families" -- the best known of which is the Sonora Matancera headed by Felipe Lagunes, first cousin of Don Agustin, although the others are just as large and equally dangerous -- the owners and masters of power and money. Covered up by Governor Acosta Lagunes and allied with other authorities whose reach extends to other states, they do their dirty work in Veracruz just as in Chihuahua or

Sinaloa, Tamaulipas or Durango, Jalisco, Michoacan, Nayarit or Guerrero, Oaxaca or Chiapas, killing, kidnapping, robbing, controlling the drug trade and monopolizing the land and livestock.

"Moral renewal will never get that far," comments one high police official.

Using these same gangster methods: the law of the gun, they murdered deputy and sugar-cane dealer Roque Spinozo Foglia on 25 November and his first cousins Cesar and Sergio Spinozo Corral, along with their bodyguard Armando Rodriguez Palafox. The ambush culminated with 78 shots fired from different caliber guns, shattering the windows and cutting through the chassis of the Grand Marquis in which they were riding when they arrived at El Relicario ranch in the municipality of Nautla.

Mafia bosses and soldiers, on the one hand, and police on the other, have instituted a reign of terror with their bands, independently of the fact that they have increased crimes against property.

The local "godfathers" have divided up the Veracruz countryside into fiefs: Arturo Izauierdo Hebrad in the north; Felipe Lagunes in the center; Cirilo Vazquez, south; Toribio Gargallo, Cordoba; and the Hernandez in Tierra Blanca.

All have ranches of opulent luxury, planes, pickups, elegant automobiles, homes, cattle and land, vast amounts of money and many, many men.

A few *burros*, the name given in the underworld to drug distributors, and other hit men of the bands have recently been put behind bars:

Jose Grajales Panama, aka "Chepe," former commander of the Soledad Doblado police, Amancio Rojas, Rafael Moreno and Pio Meneses, allegedly responsible for the assassination of the mayor of that municipality, Mauro Rivera Barradas, on 12 December. This brings the total to four municipal chiefs shot down in Veracruz: Vicente Obregon Velarde, from Acayucan, finished only half of his term. Fausto Antonio Tilzo, of Mecatlan, lasted scarcely two days in office, and Timoteo Herrera Perea, of Progreso Zaragoza, was also shot on 15 June of last year, along with his son Hermilo.

From another gang: Cirilo Herrera de la O., Roberto Pereda Sosa, Joel Estrada Dominguez and Jose Francisco Munoz, among others, also jailed for murder, the illegal possession of drugs and automobile theft. Found on them was a "black list" of 20 persons they were to kidnap or liquidate, including Rafael Acosta Lagunes, aka "El Zopilote," brother of the governor. Arrested by the State Judicial Police, they are in federal custody with formal prison warrants issued by the district judge.

One more, Enrique Solano, has just been sentenced to the death penalty. It will be recalled that, in the company of Antolin Vargas Norato, now dead, he kidnapped Braulio Quintero in 1981, the brother-in-law of the governor's private secretary. His testicles were cut off, he was hanged,

burned and, to finish him off, run over by a pickup truck. The case, No 311/983/1A, is before the Second Chamber of the High Court of Justice of the State.

Official information indicates that Veracruz is now in first place in crime in the republic: 2,000 homicides in 1984, without counting those not reported.

According to figures from the 26 agencies of the Office of Attorney General, some 70 percent of the homicides are in rural areas. In 1983, 1,750 preliminary investigations were initiated and 814 rulings handed down. From January to June 1984, there were 1,337 preliminary investigations and 534 rulings were handed down. However, the report bears a notation: "Sentences include homicides from previous year. Persons sentenced may be at large."

In other words, they escaped from prison!

Most of the cases were registered in the branches of the Office of Attorney General in Acayucan, Minatitlan, Jalancingo, Papantla, Poza Rica, San Andres Tuxtla and mainly in this port.

An appendix registering crimes in Cuiclahuac from 2 February 1979 until June of last year is especially revealing: Of 85 percent, not only their whereabouts, but also the authors of 85 percent are unknown!

The police also kill.

The day before they murdered Martin Munoz Bello, seven patrol officers from the General Directorate for Public Safety in Jalapa "hunted down" a sixth-semester student in statistics, Carlos Paul Gutierrez, 27.

The alleged guardians of law and order were called because he did not pay his check at Harry's Restaurant. The young man ran to his 1976 Maverick and fled toward Perote, followed by patrols 50, 54 and 70. The police fired into the air to intimidate him. When they got to Acajete, they pierced the tires with their bullets. The car came to a grating halt. Carlos was left there, brought down by the bullets.

"We were only doing our duty, helping the people that called us," said the statements of patrol officers Ruben Andrade Ibanez and Moises Sayago Acosta, according to the official press bulletin. The case is No 121/985 and is being handled by Oscar Pliego Castillo, of the Office of Attorney General.

The indignation on the part of the citizenry was universal.

"Enough!" they shouted at the 16 January meeting at the commemorative ceremony on Police Day, at which the director of State Public Safety, Mario Enrique Escobar Escobar, praised Governor Agustin Acosta Lagunes "for the efforts he has made to improve the police and so that a climate of peace and order may reign in Veracruz."

In the last 6 months of 1984, 30 drug traffickers were arrested. They included the person guilty of the killing of Heriberto Berrones Garcia, Federal Judicial Police agent, in October 1983 in an ambush in the municipality of Atzacan, in addition to the murder of six other federal agents and a dozen soldiers. Some 3,000 kilograms of marihuana were taken from them, three rural laboratories were occupied and an arsenal of both short and long weapons was seized.

The business yields fat profits.

Every hectare of marihuana grown produces between 1.5 and 2 tons of grass. Sowing is minimal: 25 kilograms of seed. On the American market, the price of a kilogram of Cannabis indica is 225,000 pesos, varying slightly. With respect to opium, every hectare planted in poppies produces between 20 and 25 kilograms, which are then processed into morphine or heroin. The price of the latter in that northern country is over 200 million pesos a kilogram.

In Veracruz, over 200 plantations of marihuana and 23 of opium poppies were destroyed during the last half of the year.

Following the death of the Spinoza, a few heads fell. It is even known, semi-officially, that Arturo Izquierdo Hebrard, Durazo's former brother-in-law, went to Puerto Rico.

He was sought in Mexico City, at 11 Calle de Colorado in the Napoles district, an old home in the Mexican colonial style whose age only makes it more mysterious, a residence revealed publicly in order to receive news. It was possible to speak with his lawyer, Carlos Maldonado, only by phone.

"I have no contact with Mr Izquierdo."

"But you are his attorney."

"Yes, but only for a few matters of a civil nature. And that is handled through third parties."

Arturo is one of the seven Izquierdo Hebrard children: Agustin, Faustino, Dora (deceased), Ernestina, Graciela, Hugo and He, from Barra de Palmas. Of all of them, the last three have been involved in drug trafficking.

In the 1950's, Hugo and Arturo held up a truck belonging to the treasury of the Department of the Federal District and went to Lecumberri. There they met Fidel Corvera Rios, the king of hoods at that time, whom they displaced as leaders.

Jose Gonzalez, author of the criminal biography of Durazo, says that one of Arturo Izquierdo's ranches is in the mountains and that one can arrive only by air. "They have a landing strip and at night, by pulling a lever, one can illuminate everything, as if it were day. That is where Durazo was hidden when he was a fugitive."

On the coastal highway from Cardel to Nautla is another ranch, the Camino Real, owned by Arturo Izquierdo, a few kilometers from El Relicario, where they killed the Spinozos. It has 200 hectares, a landing strip, farm machinery, livestock, pasture for horses, and a California-style house whose main entry is lighted by big spotlights. Overhead is a life-size statue of a bull and a sign: "Swiss, Simmental and Gyr Cattle."

In connection with this property, on 27 and 28 December, the DIARIO DE JALAPA published an ad from Mario Dominguez Hernandez, addressed to public opinion and civilian and military authorities "to inform them that on 3 November 1983, I purchased the ranch known as 'Camino Real,' located in the municipality of Nautla, which I have been running from that date on in complete peace and tranquillity. Consequently, from that date on, Arturo Izquierdo Hebrard has had no connection with that ranch and the only personal relationship I have with him is that of an old friendship."

However, on 2 January of this year, when Arturo Izquierdo emerged in the public light through a layout in EXCELSIOR, he said that "first of all, I want to point out that since I am the owner of the Camino Real Ranch in the municipality of Nautla, Veracruz, a property devoted to livestock raising...." He exonerates himself for the death of the Spinozos and lists a number of murders committed by them, except for Roque, whom he implicates in "heavy cocaine smuggling," "also accused as a participant in the sabotage of the plane in which Alfredo V. Bonfil lost his life."

He also said that Cesar Spinozo Corral tried to poison him, along with his sister Graciela, in complicity with Dr Francisco Spinozo Portilla and Drigelio Armenta Gomez.

Today, Hugo hates his brother and sister Graciela and Arturo because of inheritance problems and accuses them of having committed him by force, after kidnapping, to the Our Lady of Guadalupe Clinic, a psychiatric center in Cholula, Puebla, where he is now.

Now that Arturo Izquierdo is far away, one of his trusted pistoleros, who loves him like a father, does his work in Veracruz. His name is Felipe Lagunes.

A native of Moreno Seco, he went as far as second grade. He is now 41 years old and says that he does not always go around armed. However, his now famous hit men, led by Rafael Cordoba, aka "El Chivo," do.

Long gone are the days when he delivered milk riding a mule. With the arrival of his cousin to the Office of Governor, he gained so much in strength that his word is now law.

He tried to become part of the team, wanting to be general director of public safety. He became very angry when his cousin named Inocencio Jerez Trevino, whom they certainly got rid of for having a pay roll of "aviators" [one who is on a payroll even though he does not work at the job] who collected at the DGSP [presumably General Directorate of Public Safety].



Felipe contributed his little grain of sand. His people deliberately committed acts deserving of detention. Jerez Trevino, who did not smell the trap, apprehended them. In order that they not be jailed, he offered a million pesos. "Go to hell! Who do you think you're dealing with?" They offered two million; still no dice. Three million; still no. Four, then five. "Ok, but I want to see the money." He fell when they got to four.

It was proof to the governor cousin that no one could survive those cannon shots.

His statement to Bernardo Gonzalez Solano, from UNO MAS UNO, on 15 November, is famous:

"I have never killed anyone, but I am not a goody-goody either. If I have ordered someone killed, it was because they were bad persons who do harm to society, protected by the police themselves."

He says that he is a man of the system, that they accuse him unjustly "in spite of the fact that I help the government."

One of the places invaded by marihuana is Zongolica, deep in the eastern Sierra Madre, where some 42,000 Nahuatl Indians live, most of whom make a subsistence living selling coal.

In contrast, the day laborers live off of sugar cane, pineapples, mangos, chayote and coffee, among other products. They are now starting to get caught up in the growing of "that herb that stuns."

According to the statistics of the director of the Social Solidarity Clinic of the IMSS-COPLAMAR [Mexican Social Security Institute-General Coordinating Board of the National Plan for Depressed Areas and Marginal Groups], Dr. Miguel Angel Guterrez Barron, poverty in the area is fatal. Diseases such as tuberculosis and anemia still take lives. The only food is chile peppers, tortillas and salt. The degree of malnutrition is 47.69 percent. Those most affected are children under the age of 5, who die from uncontrollable vomiting and diarrhea.

Many emigrate, like the inhabitants of Tehuipango, the poorest municipality in the mountains. Starvation forces entire families to leave, year after year, going to Cordoba, Orizaba, Tierra Blanca, Tezonapa or even Oaxaca. In this area are 10,000 Indians and mestizos. Some 61 percent live in houses with only one room and 87 percent of the people are illiterate, most of them monolingual.

In Tehuipango, as in the other ten municipalities in the Zongolica Mountains, there is no work. Alcoholism is the worst enemy.

Nevertheless, they still suffer from repression for the crime of grouping together. The organization known as United Independent Peasants of Tehuipango was completely annihilated in April 1980.

There are two other unions in the region: the Independent Peasant Organization of the Zongolica Mountains and TINAM, which in Nahuatl is the slogan "We poor people are all uniting." On 14 April 1983, after suffering attacks and imprisonment inside and outside the mountains, some leaders of the latter group disappeared. That day, 100 elements of the General Directorate of Public Security of the State, assigned to Cordoba, Fortin, Orizaba and Ciudad Mendoza, began the persecution.

This is the account of Norma Arenas, kidnapped with her husband Felipe Velasco, on that occasion:

"The 3 days we were missing, our kidnappers questioned us about supposed connections with guerrillas. They always interrogated me with the gun in my mouth and they beat my companion and put water up his nose. I was accused of being Nicaraguan. Since I kept denying it, the representative of the DGSP in Cordoba, Carlos Betancourt, got furious."

The most powerful man in Zongolica is Armando Garcia Lebrez, former local deputy, an INMECAFE [Mexican Coffee Institute] official and currently secretary of the Regional Peasant Committee affiliated with the PRI.

In Tierra Blanca, there are 65,000 inhabitants and not a single industry. The only one that existed, the railroad, was dismantled. It is a basically livestock raising zone, the first in Veracruz, although it also produces cane. There are three mills in the region: La Margarita, Tres Valles and Motzorongo.

For 10 years, it has been the center of operations of the Hernandez, who fled to the town of Vicente Camalote, Oaxaca. Allies of the municipal president, Raymundo Osorio Medina, they are led by Ruben Rivera Canseco, rancher and owner of the Hotel Libra -- in 2 years, he amassed an incalculable fortune -- with the help of Jesus Rodriguez, head of the Federal Highway Police tow trucks, aside from having connections with all the civilian and military authorities of Veracruz and Oaxaca.

They have been linked with Felipe Lagunes and narcotics trafficking. In their area of influence, Huatusco and Tezonapa, marihuana and poppy plantations have been found. They have extensive land holdings -- in every sugar cane harvest, the Hernandez turn over 25,000 tons of sugar cane to the La Margarita mill -- and they have ranches, livestock, vehicles and high-powered weapons, which they have used to institute terror. At one of their homes, there is a private cemetery with 24 crypts and all the locals think it was for their victims. They say that it is only for the family.

The people, who live in fear in this ghost town, have already lost count of how many crimes have been committed, but no one dares to report them. They know the punishment: the tomb.

They are: Francisco, the oldest brother, 50; Vicente and Miguel. Two other brothers, Ruben and Ricardo, are already dead.

The sons of Ruben Hernandez Rodriguez and Margarita Terrazas, they began to kill out of revenge: On 29 August 1975, their father was murdered.

"Like all human beings, we just wanted revenge. We could not let those responsible go free. But that account has been settled," Vicente said at the end of last year.

So the life of crime of the brothers began.

Only Pedro Delfin Cano, reporter for LA PRENSA, dared to denounce them.

In his first news dispatch, published on 25 March of last year, he told of the murder of rancher Rafael Amador Rivera at the Los Pitufos bar. At 1530 hours on that day, Miguel Hernandez appeared, accompanied by two persons, got out his .38-caliber revolver and opened fire point blank at Rivera. Two witnesses saw what happened. Fausto Uzcanga and Marta Navarrete told the official from the Attorney General's Office that "the Hernandez have killed some 500 persons in the past 2 years and this very week, Miguel has taken the lives of three persons in Vicente Camalote."

One telephone warning to the correspondent: "You had better not get mixed up with us."

Two months later, on 19 May, the reporter sent the news that there had been a shootout at the Hotel Libra between members of the Hernandez gang and DGSP elements. One agent died and five criminals were arrested, including Francisco, who was released as soon as he was arrested by Commanding Officer Ramon Canan. "The reason for the quarrel," Delfin Cano's note said, "is the constant murders right downtown at the hands of the Hernandez. Only days before, Miguel's son, only because two young mechanics, one 19 and the other 20, were watching him, shot them down in cold blood."

A second telephone warning to the reporter: "You'll be sorry, asshole."

On 16 June, the reporter told of another shootout at El Farolito Ranch between brothers Manuel, Mariano and Alberto Lopez Moreno and members of the Hernandez gang. The first three were shot down in the ruckus. Regulation army shells of .38, .45, R-15 and R-1 weapons were found at the scene.

The reporter then received a third warning: "Now you're going to get it."

The threat was kept halfway. A day later, on 17 June, Rogelio Delfin Ruiz, the reporter's cousin, was murdered only 15 meters from police headquarters.

"If they finally kill me, make no mistake about it. It will be the Hernandez," Delfin Cano claims.

One comes to Hidalgotitlan after getting off at Acayucan, the closest point. One first has to cross the Coatzacoalcos River and finish on horseback. Now one can get there without major problems. Before one could not because marihuana was grown there.

Communal lands in the municipality: Cascajal, La Ceiba, Lopez Mateos, Miguel Hidalgo, Los Laureles, Tecolotepec, Primero de Mayo, Ramos Millan, Nuevo Paraiso and Ninos Heroes, were planted with marihuana using machinery, credit and advice from Sinaloa. Communal land dwellers received 3 million pesos for every half hectare cultivated. The seed came from Guerrero, where the most sought-after variety is produced: Acapulco Golden, and the supplier was a man whose name no one knew but who was nicknamed "el Peludo."

In the nearby municipality of Jesus Carranza, Vicente Guerrero was the first communal farm to grow marihuana, due to the profits it generated. Since business flourished -- 90 percent of the inhabitants now live off the plant -- its cultivation extended to Hidalgotitlan.

One of the inhabitants, Porfirio Toledo, recalls:

"A foreigner we called 'the Gringo' arrived and gave us credit and machinery. One day, he said to us: 'We producers and the government want the poor people to help themselves with this product. You will all have the necessary protection.' But we were afraid for our lives."

Thus it was that some decided to report the crime last year. The communal land dwellers say that despite the large amounts of marihuana grown, the army helicopters arrived only once in awhile to burn a stretch of the plant or two.

The last action undertaken in the area, as part of the campaign against drug trafficking, was during Easter week of 1984.

When he was a little boy, like all children of his age who live in the country, Toribio Gargallo did hard work on the sugar cane plantations. He grew up in the midst of molasses when he worked as a laborer at the San Miguelito mill in Tezonapa. He joined the band of the famous Tomas Vitoreo, aka "Tomasin," who was eventually killed. When the "family broke up," now started on that track, he formed his own gang. He is 33 and lives in San Pablo Ojo de Agua. Two scars on his cheekbones identify him. Scarcely 4 months ago, he was wounded ago when they shot up his Grand Marquis.

"Toribio, Toribio, get going, here come the bullets," is the verse that his clever fellow countrymen have composed for him.

He has put down his roots in Cordoba and established his sphere of influence. He has good friends among the local authorities, including Attorney General's Office official Luis Aguirre. Perhaps for that reason, his pistoleros have credentials from the Judicial Police.

"His band rubs shoulders with the others," they all say here.

Never before had he come forth with public statements until he was mentioned by columnist Jose Luis Mejias. In his column "The Untouchables," published

on 10 August 1984, the newsman said he could reveal the motives and intellectual as well as material authors of the murder of Javier Juarez Vazquez, who published the journal PRIMERA PLANA, killed on 31 May; one day after the killing of Manuel Buendia.

"Hilario Beltran Ruiz," Mejias wrote, "head of the special squad of the municipal police of Coatzacoalcos, Veracruz, was the person who intercepted and took prisoner -- or kidnapped, depending on your point of view -- the newsman Javier Juarez Vazques and turned him over to the police chief of Nanchital, who was accompanied by a pair of hoods. The arrest or kidnapping took place as the reporter was leaving the Coatzacoalcos City Hall, where he had had a stormy interview with Mayor Juan Hillman. The two hoods were hired by the very police chief of Nanchital, who had picked them from among the select group of gangsters who, at Gargallo's orders, go to work attacking, robbing, kidnapping and killing in the area of Cuitlahuac and Tierra Blanca, and the little job was ordered and paid for by none other than Francisco "Chico" Balderas, secretary general of Section 11 of the STPRM [Trade Union of Petroleum Workers of the Mexican Republic], with headquarters in Nanchital and one of the largest in the system.

"It appears that the reporter had threatened Chico Balderas with publishing in his biweekly, PRIMERA PLANA, some of the extremely profitable dealings the latter engages in under the protection of his trade union post, warning that it was indeed a serious threat, inasmuch as Juarez Vazquez had irrefutable proof...."

A week later, Gargallo responded in the only news interview he had granted, published on 28 August in EL SOL DE CORDOBA. The author of the note, Ricardo Monlui Cabrera, said in that note: "Toribio Gargallo wanted to speak with this reporter because of the good relations existing between the two and with this newspaper."

When the reporter friend was taken to the home of the "boss" -- it is not stated where -- Toribio Gargallo, also known as Juan Zavaleta and nicknamed "El Toro" -- he always wears a gold bracelet on his left wrist bearing the figure of a bull -- he made the following statements:

"I know nothing about that killing. I have to let it be known that I work in an honest way.... I am not a kidnapper or a hired pistolero. I work like anyone else, I have a few trucks and a nice ranch.... When someone owes me something, they pay and I don't care who is present. If an individual shot up my house and I found him on the corner, I would kill him on the spot.... We are going to find out who killed that journalist so that I will no longer be implicated."

"Mr Gargallo, why are you constantly implicated in violent crimes?" he was asked.

He answered: "Many are jealous of me. I don't need the bastards. They only do me harm."

Jose Luis Mejias at no time implicated or related Gargallo in the killing of Juarez Vazquez. He simply said that two of his hit men had been hired for the purpose.

The list of bosses is just as long: Amadeo Gonzalez, Manuel Perez Bonilla, Julian Yunes, Delfino Rosas Nolasco, Jose Luis Navarrete, Eduardo Flores Armida and the Cuervo, Aramburu and Monroy families, which operate in the four cardinal points of the region.

Two other relatives of the governor are also named as gangsters: Cirilo Vazquez Lagunes, in the south, and Rafael Acosta Lagunes, in the center. The former keeps the region of Acayucan and the vicinity on edge and the latter continues to abuse the protection of his brother Agustin.

"El Zopilote," famous for having killed Mario Aguilera right at Portales in the golden age of Governor Rafael Murillo Vidal, over nothing more than a joke and a punch in the face, a prisoner in Michoacan where he fled, uses La Suriana Restaurant in this city as a meeting place.

That is where he could be found, with his straw hat, sandals and socks. Chubby, red in the face, he chatted happily at the table with Efren Lopez of the Regional Livestock Union, Central Zone, brother of his former wife, and Inocencio Rebolledo, Paso de Ovejas rancher, and ten other fellow diners. At another table, his body guards, a half dozen of them, coastal types.

After a while, the classic deputy rushes in: dark glasses, blue suit, white shirt, red tie, Librado Trujillo Serrano, grand master of the Benito Juarez Masonic Lodge, Grade 33.

The bottles of whisky kept coming far into the night.

11,464

CSO: 3248/257

NICARAGUA

COFFEE HARVEST IN FOURTH REGION EXCEEDS GOAL

Managua BARRICADA in Spanish 8 Feb 85 p 7

[Text] Jinotepe--The Fourth Region has already fulfilled the proposed production goal for "rojito," generating foreign exchange; and much of the product intended for export is situated in the port.

The region's goal for coffee production, in turn, which was estimated last October, has lagged behind the present date.

According to the October estimate, production would amount to 300,000 fanegas of "berries," representing 150,000 quintales of "gold" coffee; whereas, by 2 February, 155,454 quintales had already been picked in the region, causing over-fulfillment of the established goal by 3.6 percent.

ENCAFE With 100.7 Percent Fulfillment

As of the aforementioned date, ENCAFE [Nicaraguan Coffee Enterprise]-Fourth Region had picked 224,548 fanegas of berries, out of a plan for 210,000, representing 100.7 percent fulfillment.

Meanwhile, those benefiting from the private area have picked 82,511 fanegas. This amount, combined with that picked by ENCAFE, makes a grand total of 310,907 fanegas, corresponding to 155,454 quintales of gold coffee; thereby fulfilling the original goal with 3.6 percent more.

Engineer Alberto Reyes, regional director of ENCAFE, told BARRICADA that, according to the plans, the picking will be completed throughout the month of February.

He also claimed that, during the first half of March, the inferior qualities would be purchased; and, moreover, he remarked that the crop from Isla de Ometepe, although not very large, is significant, and will be purchased during the final half of February.

In commenting on the volume of export coffee that the Fourth Region has delivered to the port of Corinto, the ENCAFE official said that 22,347 bags have been sent, representing 33,519 quintales of gold coffee.

## Coffee Growers Will Receive Over 280 Million

According to engineer Reyes, the producers of the bean in the region will receive, to date, 281.348 million cordobas for having delivered the "rojito" to ENCAFE's collection centers in the Fourth Region, with an increase of more than 100 percent in the prices for the bean, compared with those last year.

### Record Crop

Reyes told BARRICADA that, in addition to the fact that the region has set for itself a goal of 300,000 fanegas of coffee berries, and that it already has 310,907, the production will be really higher; which will mean that, according to estimates, it will be the second largest crop on record in the coffee history of the Fourth Region.

He explained that the best crop in the region's history, which was later associated with the coffee renovation given an impetus by the revolutionary government through MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform], occurred during the 1982-83 season, when as much as 210,000 quintales of the gold bean were produced.

2909

CSO: 3248/263



NICARAGUA

UNAG ANALYZES PROGRESS OF COOPERATIVE FARMS

Managua EL NUEVO DIARIO in Spanish 22 Feb 85 p 5

[Excerpts] As of the present time, the cooperatives promoted by the National Union of Farmers and Cattle Raisers (UNAG) have over 70,000 members, consisting of small and medium-sized producers.

The cooperatives are a superior type of organization, exceeding the 3,058 originally formed in Nicaragua. The success in their development has been highly significant. There are the Sandinist Agricultural Cooperatives (CAS) and the Credit and Service Cooperatives (CCS), explained Ofilio Reyes, a peasant who is now director of UNAG and who first served on a zonal board of directors. He latter reached the regional level, and has managed to achieve national participation, first as head of the cooperatives in the organization section, and currently in the solidarity area of the international relations section.

The CCS Less Developed Than the CAS

The Credit and Service Cooperatives (CCS) are less developed than the Sandinist Agricultural Cooperatives (CAS) from an organizational standpoint.

There are rather high levels of organization in the cooperatives involved in raising cotton, coffee, vegetables and staple grains. In the municipality of Sebaco, one of the best developed is the Leonel Valdivia, which grows vegetables and staple grains.

The work done by these cooperatives is extremely dynamic in the agricultural and livestock activities.

For example, in Rio San Juan, the state plans to back the making of investments, primarily in the livestock raising area, in view of the fact that there must be an increase in the productive work among families displaced from the war zones.

Ofilio Reyes noted that those prospects for development are real. In the Sixth Region, where the cooperatives are faced with the rough war situation and constant attacks by mercenaries, the organizational levels have been raised and the cooperatives are speeding up self-defense and armed resistance.

The around-the-clock protection of those cooperatives is kept day and night.

#### Factor for Development

Reyes remarked that the cooperatives must be viewed as genuine factors for development in Nicaragua, if they have the necessary resources, namely, financing, technical assistance and input; while at the same time not overlooking the limitations and the blockade to which the country is subjected.

For example, the staple grain cooperatives are poor, but they have good prospects, because they are producing on the basis of irrigation, as in the case of those in Santa Rosa del Penon, Los Zarzales and San Nicolas de Centar-rana in Leon.

Those cooperatives are the ones with the lowest production rates. In the west, the ones currently producing are the poor peasants who were previously excluded to the most infertile land by the large landholders.

#### On the Atlantic Coast

The picture is different on the Atlantic Coast; in those mountains the situation is more difficult and more complex, with entire families forgotten and abandoned; and the lack of penetration roads has always been a problem, as is the lack of resources.

Ofilio relates that someone has said, "We pick the corn while traveling." We asked, "How?" and the response was quick: "The hogs are fattened by the corn, and then we move them on foot, to sell them in other locations."

The cooperatives on the Atlantic Coast work for self-consumption, but gradually, with the assistance that the government is giving them, they are realizing the significance of being organized, in order to seek better living conditions.

Sometimes a technician has to provide for 80 and even 100 cooperatives, and for 20 or more private producers. For that very reason, an impetus has been given to training, so that the producers themselves will be the ones attempting to solve their problems, in addition to having their own experience available.

#### Regions With Greater Advancement

The regions with greater organizational advancement include the second, with as many as 400 cooperatives which, although they have not achieved great economic development, have accrued good profits and, within 5 or 6 years, may attain higher levels in that respect; in addition to the fact that they are accumulating surpluses, so as later to make their own investments and, if possible, their own financing.

In the first and sixth regions, Jalapa, for example, they have become a stronghold of production and defense; and they have high levels of production. In

the sixth region, the cooperatives are strong. In Yali and Wifili, Gen Augusto Cesar Sandino formed the first cooperatives.

In the fourth region, in Rivas, in the municipality of Tola, some staple grain cooperatives merged and are now supplying themselves. In Mayasa, the cotton cooperatives are integrated into the Camilo Ortega Saavedra Project, which is a project involving millions.

2909

CSO: 3248/263

NICARAGUA

INTERIOR MINISTER ANNOUNCES 1984 CRIME STATISTICS

Managua EL NUEVO DIARIO in Spanish 26 Feb 85 p 14

[Excerpts] For the purpose of reducing common crimes and to lessen the sizable losses of money and lives in accidents caused by irresponsible individuals, as well as to adopt measures to prevent fires, this year the Ministry of Interior will implement strong measures, as well as carrying out educational and other prevention campaigns.

This announcement was made at a press conference by Comdr Doris Tijerino, MININT's chief of internal order, together with Deputy Comdr Silvio Casco, second chief of the General Directorate of Sandinist Police, and First Lt Hector Sevilla, head of the General Directorate for Fire Prevention.

Crimes Have Been Declining

Commander Tijerino said that, despite the fact that the Sandinist Police had begun at zero, upon the revolutionary victory, and with effort, they have heightened their technical training and hence, every year, the indexes on reported crimes, accidents and fires have declined.

He said that, in 1984, they achieved 75.3 percent solving of reported crimes, which he estimated as an acceptable percentage, based on the degree of technical training among the police.

He remarked that, out of a total of 9,238 common crimes which occurred, 3,239 were committed against the integrity of persons, and 5,213 against their property (common economic crimes).

In the battle against crime, he cited the increase in police patrolling, both on foot and in vehicles, combined with the revolutionary vigilance of the CDS [Sandinist Defense Committees], as well as preventive and remedial measures that have been adopted to reduce crimes.

As for the work done by the different departments of the Ministry of Interior during 1985, he noted that an effort would be made not to allow an increase in crimes against persons.

### Crimes Aimed at Destabilizing

He observed that, this year, the police would take action against economic crimes of greater scope aimed at destabilizing the state's administrative management, for which purpose directions have been given to prioritize the battle against such economic crimes.

In connection with the number of accidents, he claimed that they have declined, but that the fatalities have increased. He said that the main causes are drunkenness, high speed and poor driving, combined with intoxication. He said that one Nicaraguan is killed in every 10 accidents.

He made it quite clear that the technical condition of the vehicles has not actually been a cause of the accidents.

### Serious Preventive Measures and Others

In a sincere self-criticism of the state, Commander Tijerino said that ENABUS [National Bus Enterprise] drivers rank first in accidents, followed in second place by the Armed Forces. During January alone, MINT drivers were involved in 37 accidents in which six persons were injured and the material damages amounted to 456,000 cordobas.

### Expanding Upon Economic Crimes

Expanding upon the Sandinist Police's battle against economic crimes, he said that they include embezzlement, tax evasion and others; crimes which the Sandinist Police have the capacity to combat, because their technification has increased.

An aid for making the police work effective would be to change the penal laws preventing the punishment of criminals. To this end, an impetus will be given to such a change, while the judges expend efforts to prevent unscrupulous lawyers from evading the laws and obtaining the release of criminals, as he remarked.

### Major Losses From Fires

Commander Tijerino said that there is great concern among the authorities over the large losses caused to the country by many fires.

During 1984 alone, there were 452 fires nationwide, which caused losses of nearly 269 million cordobas. Included among these fires is the one at PROAGRO [Agricultural Promotion Agency], in which he claimed 150 million cordobas worth of damage was done.

### Criminal Action in Some

He pointed out that there was criminal action in some of these fires, as in the case of MINSA [Ministry of Health], where a fire was set in an attempt to

destroy evidence of the robbery that had been discovered. Nevertheless, thanks to the swift action by SINACOI[National Fire Prevention System] the achievement of this was prevented.

He said that, when a penal reform is carried out, an attempt will also be made to give SINACOI's experts legal standing, as well as the investigations provided by police processing, to prevent those guilty of such criminal acts from evading the authorities.

He emphasized that efforts are being made to give SINACOI highly skilled, technical personnel, and that it is hoped to prevent fires with the cooperation of the CDS, with which work will be done on a plan to better protect the property of Nicaraguans.

2909

CSO: 3248/263

PERU

# USSR DEBT PAYMENT NEGOTIATIONS CONTINUE

Lima EL COMERCIO in Spanish 22 Feb 85 p A-15

[Text] A considerable portion of the public debt to the Soviet Union and other Socialist countries will be paid with non-traditional export products. The amount could total \$200 million, equivalent to 1.5 billion soles, with the possibility of also exporting an additional \$300 million through the barter system and the traditional mechanisms.

This opportunity for expanding and consolidating a new market for non-traditional export products, established by the USSR, was made public by the minister of industry, commerce, tourism and integration, Alvaro Becerra, during the installation ceremony for the Compensated Trade Committee and a visit to an industrial plant for optical frames.

The industry official stressed the importance of compensated trade at a time of crisis being experienced by the country; on the one hand, because of the savings of foreign exchange represented by being able to pay part of the foreign debt with products and, on the other, because of financing the imports necessary for our development.

He commented on the transactions being made with the Soviet Union and other Socialist countries to pay part of the debt with non-traditional export products.

The negotiators estimate a possibility of \$200 million, a sizable portion of which was already paid in 1984 with products of that type.

These negotiations began in November 1983, when the then minister of economy, Carlos Rodriguez Pastor, paid a visit to that country to negotiate the debt.

Last year, a business mission from the Exporters Association, an entity which proposed suggesting to the creditors the payment of debts with non-traditional products, traveled to the USSR, selling large orders that have already been shipped.

Becerra announced that, when the results of the business missions have been disclosed, during March a second mission will travel to the USSR for the same purpose.

The Compensated Trade Committee is chaired by the vice minister of commerce, Raul Ortiz de Zeballos, and is comprised of Cecilia Valdez de Sanz, from the Central Reserve Bank; Jesus Paredes Lengua, from the Bank of the Nation; Bruno Barletti, from FOPEX [Export Promotion]; Victor Revilla, from the MEF [Ministry of Economy and Finance]; and the business owner Federico Conroy, from Confiep, at the proposal of ADEX [Exporters Association]. The alternate for the latter is engineer Gaston Benza.

The committee's functions are to approve all the compensated trade transactions, to establish the terms and conditions under which each authorization is granted, to supervise the operations, to answer questions and other duties.

2909

CSO: 3348/440



PERU

UNESCO INFORMATION AGENCY OPERATION CALLED ALARMING

Lima EL COMERCIO in Spanish 21 Feb 85 p A-2

[Editorial: "Criticism of ALASEI"]

[Text] Since Tuesday of this week, a branch of the Latin American Agency for Special Information Services (ALASEI) has started operating in our country, something that has evoked concern among those of us who think that the ambushes against complete freedom of the press and of speech are still in evidence.

It should be recalled that the creation of ALASEI is another step in the so-called "war of information" triggered by the Marxists in UNESCO to attain control of the mass media by means of the so-called "New World Order for Information and Communications" (NOMIC), which has been highly criticized by the free press and which prompted the withdrawal of the United States (which apparently will be followed by Great Britain, Germany, Australia and Japan) from that international entity.

The reason for the criticism and concern is fully justified by the course of action followed to form the aforementioned Latin American Agency. Since the last decade, UNESCO has been taking increasingly alarming steps: In 1970, it authorized its director to "help the member states to formulate policies relating to the large news media," thereby violating freedom of the press that is necessary for making its own decisions. In 1972, a program on "a national communications policy" was proposed; and, in 1976, a "draft international declaration on the use of the news media" was announced.

All those plans had various Latin American countries as an experimental area, including Peru. For example, we should recall that the proposition made by UNESCO at Bogota in 1971 on "the participation of the popular masses in the news media" was taken up 3 years later (in 1974) by the Velasco dictatorship in confiscating the news media, as was admitted at the time by the then adviser to the Ministry of Transportation and Communications, when he said: "President Velasco's announcement of providing a complete solution for the news media is a fortunate agreement by our chief executive with UNESCO."

However, that "agreement" was not "fortunate," but rather tragic, because for 6 years the Velasco experience put an end to freedom of speech in our country.

A year after the usurpation, UNESCO insisted in its plans to propose an inter-governmental conference on "communication policies" in Quito; but that failed because of the protests from the world free press, and the fact that the Ecuadorean Government cancelled the meeting. Nevertheless, without offering any truce, the heads of UNESCO returned to their position and, during a meeting in Costa Rica, Mr M'Bow proposed "the establishment of a new world order that would require new concepts in the international flow of information." In a coordinated fashion, there emerged a proposal for a new "Latin American news agency on the regional level."

The result of those plans has therefore been what is now known as ALASEI, which came into being in San Jose, Costa Rica, in 1979. Its operations were established through an action committee which met on two occasions. The latter was during May 1983, in the Panamanian capital, when the agency's bylaws were approved, as were the financial plans, and Mexico City was established as the main headquarters. The countries which participated in this action were: Costa Rica, Cuba, Mexico, Panama, Nicaragua, Venezuela, Haiti, Ecuador and Bolivia. Colombia, the Dominican Republic and Argentina were present in the capacity of observers. The advice on the work was assigned to UNESCO and also to the Latin American Economic System (SELA) which, inexplicably, became involved in the press area through its "Latin American System of Information on Economic and Social Affairs" (ASIN), under the pretext of "achieving balance" in information between the North and South.

Thus, in view of this background, even though ALASEI is now declaring itself "democratic and pluralistic," the criticism remains. It cannot be forgotten that the Inter-American Press Association, which does contain the independent press, has warned of the danger posed for freedom of the press if, as is feared, the region's independent newspapers should some day be forced to purchase the services of this agency and, what is even more serious, to publish the dispatches that it disseminates.

IAPA has also warned of the intentions of this agency which might be controlled by bureaucrats in charge of public relations offices of the participating governments and by journalists who are apparently "represented" by the FELAP (Federation of Latin American Journalists), whose communist orientation is well known, since it comes under the IOJ [International Organization of Journalists], with headquarters in Prague.

For all these reasons, we reiterate our concern over the activities of ALASEI in Peru, and we also remind the government that it should formally repudiate the political manipulation by certain UNESCO officials, who have arranged for a "contribution" of \$1.5 million to the agency, taken from the funds contributed by the organization's member nations.

2909

CSO: 3348/440

ST CHRISTOPHER - NEVIS

BUCHANAN ELECTED AS NEW SPEAKER OF NATIONAL ASSEMBLY

Basseterre THE DEMOCRAT in English 9 Feb 85 p 1

[Excerpts]

The Honourable Ivan Charles Buchanan took the Oath of Office as Speaker of the St. Kitts Nevis National Assembly when the House was convened on Wednesday, 6th February. His election was occasioned because of the resignation as Speaker of Mr. Herman Liburd, in order to facilitate his application to the new post of Solicitor General of the Nevis Island Administration, a job for which he had been earmarked as the first choice.

The new Speaker holds a distinguished career as a Civil Servant for some 27 years. He has shown his versatility also in forging his name in the private sector as a most knowledgeable and courteous business executive at the public company known locally as T.D.C.

The Prime Minister gave an outline of Mr. Buchanan's previous public service, which began as a school teacher for five (5) years; then in the field of public health which was abruptly and unceremoniously terminated in 1971, by the former Government. He pointed out that Mr. Buchanan had received training in public health firstly at the School of Public Health in Jamaica and later at the University of Minnesota in the U.S.A. The Prime Minister also pointed out that Mr. Buchanan also served for some five (5) years in the Turks and Caicos Islands after the abrupt termination of his public health career here.

Following on the high praise and commendation by the Honourable Prime Minister, the Honourable Leader of the Opposition, Mr. Charles Mills rose, and associated himself and the other members of the Opposition with the Honourable Prime Minister's remarks. He went on to express his happiness, and wished Mr. Buchanan a fruitful term of office.

CSO: 3298/456

URUGUAY

AMNESTY SEEN AS BEGINNING OF NEW PHASE

PA181642 Havana International Service in Spanish 0000 GMT 17 Mar 85

["Our America" commentary]

[Text] With the inauguration of President Julio Maria Sanguinetti's administration 2 weeks ago, the Uruguayan people rid themselves of 12 years of military dictatorship, which left behind a disastrous economic heritage and indelible traces in hundreds of families, many of whose members were tortured, persecuted, or killed.

One of the Uruguayan people's most important goals was the promulgation of a national peace law that would definitely bury all traces of the dictatorship that had just been brought to an end. For this reason, an amnesty bill freeing all Uruguayan political prisoners as quickly as possible was analyzed on the very first day the chambers of senators and deputies met in Montevideo. A large parliamentary majority approved this bill and without wasting time, the chief of state promulgated it so that nearly 270 political prisoners could be released.

According to the amnesty law, those entitled to full amnesty would be released within 48 hours after implementation of this law. Those benefitted by a partial amnesty, that is, those whom the military courts had charged with homicide, would be released within 5 working days and their cases would be reviewed by the common courts.

The Uruguayan Supreme Court of Justice moved swiftly: It examined the list of political prisoners received from the Supreme Military Tribunal and immediately ordered the authorities in Military Confinement Establishment No. 1, known as Libertad Prison, and in the Central Police Jail to release 193 inmates. This was done last Sunday; 16 others were released on Wednesday this week. There were moving and joyous scenes as thousands of Uruguayans anxiously awaited outside the jails to greet those released. Similar scenes occurred last Thursday when the last 47 political prisoners were released from the dungeons. This last group included Raul Sendic, Julio Marenales, Jorge Madera, Mauricio (Rosencov), Eleuterio Fernandez, (Henry Engler), and Jorge Zabalza, leaders of the Tupamaro National Liberation Front.

Several patriotic militarymen were among those released in Uruguay under the recent amnesty law: Colonels Oscar Petrides, Pedro Aguirre, Pedro (Matanes), and (Hugo Trigerio), and Major Jaime Igorra. Jorge Lluviera was also released, along with eight other Tupamaro leaders he was regarded as a hostage of the previous military regime.

In addition to granting amnesty to those accused of committing political crimes or common crimes related to politics, and ordering the freedom and the revision of the sentence in those cases where the crime attributed was that of consummated homicide, the national peace law will permit the return to Uruguay exiles. In this manner, all pending arrest warrants and injunctions, regardless of their nature, have been cancelled. With these developments and the recent inauguration of the democratic government team, a new and hopeful phase of Uruguayan history has begun.

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VENEZUELA

OPPOSITION ON NEED FOR CABINET CHANGES, NEW ECONOMIC POLICIES

Caracas EL NACIONAL in Spanish 8 Feb 85 p D-16

[Article by Jesus E. Brando]

[Text] President Lusinchi should correct his political strategy while there is still time, say the leaders of the opposition parties, in claiming that the problem is not one of changing men, but rather, of economic policies that do not serve the people's interests.

On the eve of the changes announced by the chief of state himself, the opposition emphasizes the need for drastic measures giving a new direction to this administration. "At any rate, it is the president himself who must assume the responsibility for the performance of each of his aides and based on the substantive orientation he wants to give his government in these years."

Adelso Gonzalez (MEP [People's Electoral Movement])

For the secretary general of this socialist party, even if those executing the policies are important in Venezuela, they are secondary if the policies do not change directions and orientations. There is no doubt about the fact that President Lusinchi has still not complied with the promise to govern with the best and the need for specific changes is obvious.

"And if they are not to be merely outward changes, we would suggest that one would have to begin with the top economic officials. Beginning with planning itself, whose change in command, occurring recently, is a matter for concern and gives a concrete sign of the direction they want to take."

Whatever the case, it is the president himself who must assume the responsibility for the performance of each of his aides and based on the substantive orientation he wants to give his government for these 4 years.

"To date, the basic policy has been one of harmony and coordination with top FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] officials and in no case with the workers' organizations, which has even been expressed in the process of renegotiating the foreign debt.

There is also an important political element in the Cabinet which, being a problem of internal policy of the AD [Democratic Action] Party, also affects the republic: the prime minister, a presidential precandidate.

Teodoro Petkoff (MAS [Movement Toward Socialism])

In the opinion of this parliamentarian and former presidential candidate, the problem is, in the final analysis, not one of the men in the Cabinet, but the policies promoted by those men. All last year, a conservative policy removed from the people's interests prevailed in the economic realm.

"The tension that existed in the Cabinet between the representatives of that policy and those who opposed it was resolved in favor of the former, with the departure of Matos Azocar. This strengthened the most conservative sectors related to the big economic interests."

In other words, if Cabinet changes strengthen the orientation that has prevailed so far, they will then be changes without importance, "which is what I fear will occur, because the appointment of Hurtado to CORDIPLAN [Office of Coordination and Planning] would seem to indicate that their positions now predominate in the government without greater obstacles.

"I therefore suppose, if this is true, that the changes would be aimed at strengthening that position and giving more coherence to the government. However, in this case, naturally, there would be coherence on a line removed from the people's demands and claims."

Petkoff was asked about the matters which, in his opinion, make changes most urgent. "I believe that speculating would not be very meaningful. If we wait for the changes to come about, then we shall know precisely their general sense."

Makario Gonzalez (MIR [Movement of the Revolutionary Left])

The MIR leader believes that the departure of Matos Azocar from the Cabinet constitutes an unequivocal reflection of the contradictions that have accompanied the current governing team and that he thinks still continue, for which reason the country would benefit from the removal of the ministers of finance and development who, to date, have been the mainstay of the economic policy developed for the benefit of the business groups, even affecting small and medium-size industry. The Ministry of Agriculture and Livestock Raising have still not taken measures to cancel debts to farm producers, which in the case of Yacambu and Terepaima (Lara) alone, exceed 6 billion bolivars.

In addition, the minister of domestic relations is busy trying to meet his presidential aspirations, while the citizens feel deprived and totally unprotected.

Abdon Vivas Teran (COPEI [Social Christian Party])

The head of the Social Christian parliamentary faction noted that in the opinion of his party, what is needed is a general change, both in the makeup of the Cabinet and in the design and conduct of government policies.

"The economic and social conditions of the country, along with the political disturbances that are occurring indicate clearly to President Lusinchi the need to make a change in direction in the country's course.

"A change in the Cabinet can breathe new life into the rarified national atmosphere, but it is obvious that the person who must do it is the chief of state. It is up to him to act rapidly and with speed before the situation, already serious because of problems of personal security, unemployment and inflation, reach intolerable extremes.

"The chief of state must not make the grave mistake of putting on rose-colored glasses to see the picture. I believe that if he is willing to admit serious omissions and mistakes in his political strategy and the makeup of his governing team, he can correct them while there is still time."

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VENEZUELA

POLITICAL LEADERS ANALYZE FUTURE OF SOCIAL PACT

Caracas EL NACIONAL in Spanish 14 Feb 85 p D-11

[Text] The Social Pact designed in the government program and shaped into the nation's Seventh Plan has not been and will not be implemented. At least this is the opinion of the opposition in agreeing with former Minister Luis Raul Matos Azocar, who said that the Pact had failed.

For opposition political leaders, the Social Pact constituted a lucid attempt of the progressive sector of Venezuelan social democrats for rationalizing and reviving the economy. But it became a chimera because the factors involved did not work to achieve that driving force of the economy.

They believe that the Pact never operated despite promulgation of the Law of Implementation, a valuable instrument to make it operate that was never fully used either.

In the impossibility of implementing the Social Pact as a reviving element of the economy, they also observe the failure of the government program that was practically summarized in the Pact's arrangement.

Furthermore, it would also signify the failure of the nation's Seventh Plan, in whose design the outlines of the Social Pact are contained.

In short, the sources note that the government preferred to pervert the Pact.

In connection with this issue, brought before public opinion by a former minister of the economic cabinet, AD [Democratic Action] Senator Reinaldo Leandro Mora disagreed with the previous arguments.

In his opinion, the Pact did not fail and such a claim is a very personal opinion of former Minister Luis Raul Matos Azocar.

According to Leandro Mora, one cannot talk of failure when the Pact is being implemented and it is a very complex task demanding the cooperation and contributions of the basic sectors of the country.

## Failure

Senator Reinaldo Leandro Mora, president of Congress and vice president of Democratic Action, disagrees with the evaluation of the opposition and does not believe in the failure of the Social Pact. Obviously, they also disagree with the statement of the former CORDIPLAN [Office of Coordination and Planning] minister.

"I do not believe in that failure. This is a project proposed by President Jaime Lusinchi, who has scarcely been in office a year. It cannot be said that it has failed because it is being implemented.

He observed that the former CORDIPLAN minister issued a personal opinion in maintaining that the Pact failed.

The Democratic Action senator observed that the achievement of the Social Pact is not an easy task to be completed in a short time. On the contrary, it is a complex task requiring the receptiveness and contribution of basic sectors of national life, whose decision will facilitate implementation insofar as they provide significant contributions.

"The criticism is that it has only helped businessmen."

"In order to operate, there has to be integration of all parts. I believe that to the extent that it has operated, it has integrated all factors."

"But there is great discontent in the CTV [Confederation of Venezuelan Workers]."

"Perfectibility is a good goal for any social group and I believe that that can explain some of the positions of the CTV: the desire for improvement to continue and that the integration processes of the Social Pact will go forward." In addition, he emphasized the work of the political parties and other social organizations in their contribution to the development of the democratic system.

He believes that every period of time has a special type of leaders and he hopes that the young people of the coming generation will enjoy better conditions than those who preceded them.

"People want renewal. And we hope that the leaders who emerge will be much better than those they replace."

For Leonardo Ferrer, president of the Chamber of Deputies, the Social Pact is about to fail because it does not have a programmatic and political base.

For Ferrer, the idea was put before public opinion as a watchword and not as a program in which the different participants are committed to it.

However, he expressed his disagreement with former Minister Matos Azocar in the sense of moving toward a confrontation because it is not a struggle of partial interests.

"Venezuela needs a coherent program establishing the commitment and if this means sacrificing the interests of workers, businessmen and the political parties, we must do so. Otherwise, we would be putting pressure on different points when what is needed is a concentration of efforts to reach a common goal."

Problems such as unemployment, inflation, the public debt, government reform and others require the Social Pact and will not be solved without a joint effort.

"These national accords, or Social Pact or concerted efforts must not only involve businessmen or the labor sector, but all live forces, based on a programmatic concept. That is why the Social Pact never operated so far under this government.

According to Jose Vicente Rangel, when we told him of the statements by the former minister, the failure of the campaign program was practically summarized in the Social Pact.

He believes that two things are responsible for that failure, which does not please him: ambition and the myopia of the economic groups which only see the crisis through their interests -- as pointed out by the former minister -- and the other, not commented upon by Matos Azocar, which corresponds to top government officials because of their complacency with economic groups, forgetting matters of a social nature.

"Now comes the confrontation," as Matos Azocar says, "and unfortunately, we are all going to lose by it. That is why the course of events is more troublesome with every passing day."

Rangel concluded by stating that the Social Pact never operated as anything but a theory, although it had everything in its favor, and that people had preferred its perversion. "The Social Pact flowered for one day."

Jesus Angel Paz Galarraga, in the name of the MEP [People's Electoral Movement], maintained that the Social Pact cannot be implemented under the conditions of crisis in the country.

He argued that it is not possible to implement it because it has been shown that those who enjoy privileges never give them up spontaneously, but rather, only in two ways: as a result of coercive measures ordered by the government and through a very tenacious and firm struggle supported by the workers.

"Neither of these two paths are feasible in the current situation of crisis existing in Venezuela. One has but to observe the first measures adopted by the government in order to have the conviction that the orientation of the Pact was harmful to workers and favorable for businessmen."

In that sense, he said that the government had failed in its role as arbitrator between the two sides: the workers and businessmen.

After emphasizing that the Pact was designed and shaped in the nation's Seventh Plan as a lucid attempt of the progressive sector of social democrats to rationalize and revive the economy, he indicated that the former minister had left the government in noting that these instruments had been discarded and that the government will end up following the formulations of the International Monetary Fund.

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VENEZUELA

MATOS AZOCAR ON SOCIAL PACT, VII NATIONAL PLAN, OTHER ISSUES

Caracas EL NACIONAL in Spanish 15 Feb 85 p D-14

[Interview with Luis Raul Matos Azocar, by Ludmila Vinogradoff; date and place not given]

[Text] Luis Raul Matos Azocar needs no calling card, at least in Venezuela, where, within a year of public office, he succeeded in making himself known for the drafting of the nation's Seventh Plan and the resounding and controversial resignation from the leadership of CORDIPLAN [Office of Coordination and Planning].

His short ministerial career left its mark, especially among the powerful oligarchs of the economy, whom he castigated without mercy. Nor has he yet granted them any truce. Without being a Marxist, he has now targeted them for another of his attacks, calling them "voracious" and "primitive entrepreneurs" (those of the dominant sector).

He says it as calmly as can be, seated at his desk beside a personal computer. He has also said so before, but with all the eloquence of an orator, before large audiences and assemblies and in the very face of FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] members when he was part of the Cabinet.

Representatives of the dominant business sector cannot stand the sight of him and know well why. The former minister now makes them practically responsible for the failure of the Social Pact. Matos Azocar does not have to dress up as the Count of Monte Cristo to make his statement. He has always said what he thinks and never retracts his statements. From his outstanding position, he tries to prepare and train the coming generation in the political and trade union field.

On this level, he confesses being a vanguard social democrat, inspired by European movements, but adapted to the realities of our country. His aspiration is to build in Venezuela "a vanguard social democracy." To do so, he is bent on working on partisan tasks as a political and theoretical leader and cooperating with the unions.

The first thing he did was to ask the president of the Chamber of Deputies to reinstate him as deputy from Monagas, which will take place on 2 March. He does not even know the name of the man taking his place. He is also asking for his place in the Democratic Action (AD) National Executive Committee which he left vacant to go to CORDIPLAN. The latter matter will be resolved when the authorities of the AD Executive Committee are elected.

In the meantime, he is at work on another book, this time a political essay on Venezuela and the problem of leadership and modernization of the parties. He will finish it this six months and is already predicting that it will be a hot issue of debate and controversy.

He is also advising the Venezuelan Labor Confederation on political but not economic matters. He is now on the team drafting "The New Manifesto" of the Confederation to be presented at the Ninth Labor Congress in May. In addition, he says he is a "rank-and-file member" of the AD until he rejoins the leadership of the party's National Executive Committee.

#### Primitive Capitalism

Matos Azocar loves to use light-colored suits because they are best suited to the heat of the tropics. Since he left public office, he has begun, like any other operator, to learn to use the computer, with which he is writing his new book. That is how we found him when he consented to an interview after his vacation.

[Question] You have once again stirred up a political hornet's nest with the death of the Social Pact. Beyond the reactions that occurred, what is your conception of the failure of the Pact, both past and present?

[Answer] In Venezuela, we have a social pact in little letters. I am referring to the fact that that is the concession which 80 percent of the country's deprived, who have not assumed violent attitudes to correct injustices, make to the 20 percent making up the privileged groups of society. In other words, that pact operates by virtue of the fact that every 5 years, the poor go to place their votes in the ballot boxes in order to ratify their faith in the democratic system, rather than resorting to violence.

[Question] Why then propose to establish a Social Pact which already existed?

[Answer] The Social Pact, with capital letters, the one that was part of our election campaign, is not a concession that we on top make to those on the bottom: the workers and unemployed. Rather, in my opinion, it is a last opportunity to begin a real redistribution of political and economic power. Greater control by the rank and file of the more far-reaching decisions.

Matos Azocar then began to reflect on the origins of the election proposal of the pact. During the 1983 campaign and before, several trips were made to an island in the Caribbean called Santa Lucia, frequented by a Venezuelan group

by the same name bringing together businessmen, politicians, military men and trade unionists. It was decided to reflect seriously on Venezuela. On every trip, it was the same theme: the need to modernize the capital, the political parties, and achieve a fairer distribution of wealth. Thus emerged the idea of a Social Pact in capital letters.

[Answer] The proposal of the Social Pact as a solution to the political crisis implied replacing all the Punto Fijo concepts and an alliance of progressive sectors, excluding COPEI [Social Christian Party], with their solutions.

[Question] Why did you have to exclude COPEI?

[Answer] For three basic reasons: first of all, in order to rehabilitate the Venezuelan political system so that the conservative groups would have a party legitimately representing them; so that the AD might redeem its ideological identity as a progressive party, avoiding paralyzing or immobilizing alliances justified in the past, and in order to give the system stability; and because the Venezuelan people voted massively against COPEI and its solutions. Here I can quote the response given by Felipe Gonzalez, who won with a much lower percentage than the AD recently emerging from a dictatorship, when he said that he had received a mandate to govern with a specific direction and that he could not make concessions to those who had just been defeated by the voters.

[Question] What was the element which prevented the materialization of the Social Pact proposed by you?

[Answer] The error in conception is in thinking that the business minority (that of the progressive group of Santa Lucia) could countereffect the weight of a primitive capitalism such as the one embodied by Frank de Armas (president of CONSECOMERCIO). For example, when I discussed the idea with Brazilian economist and politician Celso Furtado, he made a commentary very similar to the one recently formulated by the Pope: "With so much injustice, do you think there can be social peace?"

He then launched into an attack on businessmen of the ruling sector, calling them "voracious and primitive." He castigated them for leaving CONACOPRESA [expansion unknown]. He admitted that it was a "mistake" or an illusion to believe that the minority of progressive businessmen could represent the majority of "primitives."

[Question] And where is the government with respect to this responsibility?

[Answer] It is a problem of attitude and businesslike thinking and not of the government. The alliance between workers and businessmen cannot come about because of the exaggerated political power of the financial groups, which have never reduced their profits.

Matos Azocar then took a breath before continuing his attack, revealing his disappointment over the thwarted pact:

[Answer] To believe that the Social Pact functions because the high officials are seated at a table talking, without being won over by the true principles of solidarity, sounds like political narcissism. And so does changing the label on an empty bottle, from a pact to a national accord, believing that we are doing the most deprived sectors of the country a favor.

#### National Accord

[Question] What is your opinion of the National Accord proposed by COPEI?

[Answer] And where is the proposal for a real tax reform making it possible to have the resources to redistribute, even in the midst of a crisis, to the marginal sectors. A proposal of this nature, which emerges spontaneously from a modern capitalism is fiercely attacked by those who maintain the same margins of profit as in the past, independently of any social effects they might have.

[Question] Do you see no future for COPEI's National Accord?

[Answer] COPEI's Accord is to try to use the old formulas to provide a response for old problems. My opinion is only personal, but I want the party's top leaders to at least summon the political leaders of the AD in the province in order to consult them about the possibilities of a rebirth of the Guanabana.

[Question] And if other parties and organizations are incorporated?

[Answer] Then it would be different. It is not true that the AD and COPEI represent all political thought of the Venezuelan people and this is a dogma that must be revised. The decisive factors in Venezuela are the independents. Whatever the case, in a democracy, the important thing is to allow the minorities to participate.

#### Elections of Councils

[Question] What do you think of the possibility of establishing direct, nominal elections councilmen?

[Answer] The time has come to break with the myth of the ignorant people and the wise elite. I believe that democracy will only be strengthened insofar as those governed require direct accountability. If there is a debate in the AD on this matter, I will always agree with plans providing for greater control of the rank and file of society over those in power.



## Increasing Minimum Wage

[Question] Do you believe that increasing the minimum wage to 1,500 was a mere recognition of an existing situation?

[Answer] Among the labor problems and victories, this is a positive step, especially if one introduces elements of justice into those wages which, under a certain level, can be adjusted by an order. However, from the quantitative standpoint, I do not believe that it will be significant.

[Question] Can the enterprises pay it?

[Answer] I believe that we have to study an additional mechanism to bring down the cost of capital and provide working capital for small and medium-size enterprises.

[Question] Your departure from the Cabinet constituted an abandonment for the CTV sector. Who defends the workers now?

[Answer] It was not like that. I believe that the Cabinet was not the result of a redistribution of the political quotas and I think that the CTV does not need to have representatives in the government in order to push its programs because it is a very strong organization in Venezuelan society and will emerge from its next congress strengthened.

[Question] And you did not play the role of representing the workers in the government?

[Answer] I fulfilled no deliberate role for the workers. The fact is that I have a political and technical background that forces me to evaluate every decision in an overall way, measuring the political and social effects.

## Seventh Plan

[Question] Why does the Seventh Plan lack long-range projections, as Maza Zavala pointed out?

[Answer] The criticism is valid because there is no tradition in Venezuela of planning 10 or 15 years ahead in the methodology of planning. This was proposed and groups are being set up to make projections when we have the long-range elements. We had a mandate (1 year) for presenting short- and medium-range guidelines. We still have to set up a team that will think of the effects of that desired model of the country by the year 2000.

[Question] What do you say about the changes proposed by Minister Hurtado, who replaced you?

[Answer] I agree with the need to constantly revise the postulates of the Seventh Plan, as well as, as President Lusinchí pointed out on Youth Day,

the tactics and strategies based on real conditions. If I were dogmatic, I would be a Marxist and I am not. On the other hand, I do not want to be like that Japanese from World War II who continued to fight because no one had told him that the war was over.

#### Uproar Over Resignation

[Question] What were the reasons for your resignation?

[Answer] I completed a mission, as they had asked me to do, that of carrying out the Seventh Plan, and I am now fully involved in partisan political work, which is what attracts me. I am surprised that there should have been such an uproar over my resignation and that the same thing does not happen when other ministers resign.

[Question] Is it perhaps because they were angry when the government granted the preferential dollars to Caracas Electricity and the financial companies?

[Answer] That is part of the past. Let us speak about the future.

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VENEZUELA

# LUSINCHI'S POLICIES REPORTEDLY PARTIAL TO BUSINESS SECTOR

Caracas ZETA in Spanish 28 Feb 85 p 27

[Article by Pompeyo Marquez: "On Behalf of Whom Do They Govern?"]

[Text] The work of a government should not be measured by casuistry or by any given event. In this commentary, we want to express our opinions on the first anniversary of President Lusinchi and his team of aides based on answers to the key question summarized in: On behalf of whom do they govern?

The facts show that the influence of the economic groups in economic, social and fiscal orientation has grown in recent months. Basically, the development of the Venezuelan economy has followed the course which these interests have tried to imprint upon it. This has been so -- and this is increasingly true with every passing day -- from the time when the government yielded to the pressures of business groups concerning recognition of the private foreign debt. A leap backward was taken with respect to what was planned at the beginning of Lusinchi's term in office. Overnight, the dollar at 4.30 benefited a tiny group and became the most gigantic subsidy ever granted, not only in our country, but on the continent as well, to a private group.

In contrast, the demands of the CTV [Confederation of Venezuelan Workers] and, more specifically, the AD [Democratic Action] Trade Union Bureau, principal manager of the candidacy of now President Lusinchi, are still waiting. A succession of decisions reveals this. We could cite the way in which the so-called Cost, Price and Wage Commission was transformed into a machine for raising prices, having nothing to do with the investigation of costs, profit margins and consequently, with that entire vast world of the remuneration of work, real wages, nominal wages and social wages.

Two final examples could best illustrate what we have been saying. One is the authorization of the increase in electricity rates of Caracas Electricity, all accompanied by a loan of 2 billion bolivars and recognition of the private foreign debt, with advance payment of over \$200 million for this year, in keeping with Exchange Agreement No 5. It is difficult to explain so

many benefits for an enterprise and for other financial companies that have names and addresses.

The second example is the way in which the economic officials operate, with the special budget initially designed in the Seventh Plan and amounting to 18 billion bolivars. Of this sum, allocations for social transfers were to be made to the most depressed income groups, particularly that critical area of deprivation and poverty so dramatically found in the diagnosis of the highly controversial official document. From 18 billion, the "readjustment" dropped the sum to 9 billion and another modification -- the last, for the time being -- reduces it to over 3 billion. Without much effort, one concludes what the prevailing policy is and consequently, how any small sum earmarked for social transfers will disappear.

Lusinchí's government announced with great fanfare the establishment of the minimum wage at 1,500 bolivars and in the same order, in Article 4, leaves the doors and windows open to lack of compliance, which has given rise to the CTV protest and the request for its modification, closing that escape valve.

If we examine what has happened with the transport bond, industrial cafeterias, the 10-percent increase in nominal wages and the Special Employment Plan, we shall find the short social scope of such measures.

In the final analysis, it is the so-called "troika" made up of Minister of Development Hurtado, Minister of Finance Azpurua and the president of the Central Bank of Venezuela, Benito Raul Lozada, that outlines the main policy of the economic officials and consequently, a policy favoring the same groups as always, against the traditional great national majorities.

Once again, one has a government that comes to power with the majority vote of the people and who then acts in favor of the privileged minority.

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VENEZUELA

CTV DOCUMENT UNDERLINES WORKERS' DISSATISFACTION

Caracas ZETA in Spanish 28 Feb 85 pp 28-29

[Text] In a 32-page document submitted to the Bicameral Committee for the nation's Seventh Plan, the CTV [Confederation of Venezuelan Workers] states that enough concessions have been made to the importer economy, questions a financial system "in which taxes are taken from the workers while the rest avoid them," and attacks the monopolistic sectors that concentrate financial power in tight groups.

President Lusinchi's long-range strategy for creating jobs and strengthening the economy has clashed with the CTV and the latter in turn feels very pressured by the high cost of living and the concessions made to economic groups. It explains, in a document submitted to Congress, that "the workers have begun to lose their confidence."

The 32-page document was explained to the Bicameral Commission for the nation's Seventh Plan by Juan Jose Delphino and Antonio Rios. In it, they ask for measures that will maintain faith in the democratic system and resolve the problems. They state that "more concessions to the representatives of the importer economy of the past are not tolerable."

"We must encourage hard-working, progressive businessmen," says the analysis of the CTV, "for they are the real dynamic agents of national development, who are irritated and frustrated by the fact that others should make profits without running risks and without making the same productive effort as they."

The CTV says that the government is responsible for the poor use of oil resources and adds that "one cannot ignore the fact that the conduct of the state in the use of its revenue is mainly induced by the interests of the most powerful economic groups and a high proportion of government resources have gone directly into the hands of those who, today as yesterday, claim to have the only alternative."

The CTV adds that "it is fitting to bear in mind that if we accumulate all the money which the state, through cheap loans, subsidies, exemptions, tariff

protection and speculative prices, gave to the private sector, the resulting sum would be so great that there would be no explanation for not now having a sound and vigorous private sector capable of producing what the country needs and generating employment."

The CTV emphasizes to Congress: "The Venezuelan private sector has been as inefficient as the government and its social function has not played the role of a driving force of the collective welfare."

The CTV demands that the government "unreservedly" take measures to get economic activity going and warns that if the private sector and the government do not revive the country and generate jobs...then Venezuelan society will face serious problems." It labels as "timid and fragmentary" the Seventh Plan in its way of facing the distribution of income, asks for government reform and argues for co-management and the presence of the working class in the life of the "democratic, participatory, circumspect and effective state."

The Venezuelan CTV demands greater attention to the need to reform "tax injustice," inasmuch as the workers cannot free themselves from the payment of taxes, while unsalaried taxpayers find it easy to reduce the burden or avoid it. The CTV asks to avoid the concentration of financial power in closed groups of a monopolistic nature and proposes the democratization of bank ownership and credit. The labor confederation notes that the financial system has not yet overcome the old characteristics of our traditional import-export economy.

The proposals of the CTV to the Bicameral Commission on the Seventh Plan, in these and many other commentaries, left a profound imprint on all those who heard and read them. Many things will depend on having such proposals meditated upon and resolved and in the near rather than distant future. If the long-range strategy which President Lusinchí has laid out begins to bear fruit in 1 or 2 years, then one would have to revise the proposals that are now so striking. One would regain the confidence of workers in the democratic system, as the CTV wants.

#### Proposals of the CTV on the Seven Plan

- 1 -- Venezuelan private enterprise has been as ineffective as the state.
2. The resources which the state transferred to the economic power groups have gone into hands that did not generate jobs or create well-being.
3. While the workers pay taxes that are deducted from them, other sectors avoid such payment.
4. The concentration of financial power in tight monopolistic groups must be avoided.
5. The government must take measures of revival and generating jobs. There must be no more concessions to representatives of the import economy of the past.